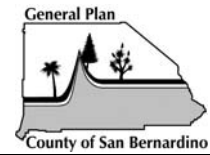


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# 8 ECONOMIC DEVELOPMENT

## 8.1 PURPOSE OF THE BACKGROUND REPORT

The Technical Background Report has been prepared as the basis for the Economic Development Element of the County General Plan. The purpose of the element is to develop an economic development strategy to provide direction to strengthen the County's employment base and increase fiscal sustainability. Although it is an optional Element of the General Plan, the Economic Development Element will define broad goals and policies that will lead to the achievement of the County's economic goals. This Background Report identifies economic development forces that need to be addressed in the Element. The Element will build upon the assessment of economic conditions as well as this report's evaluation of ongoing programs. The objective is to have a framework to insure that the County is able to maintain a strong economic base and take advantage of future economic opportunities identified in this Report. An Implementation Strategy can be prepared as a separate document, and is used to develop specific actions and programs to meet the economic goals.

### 8.1.1 INTRODUCTION

This section presents existing conditions and trends for the entire County and by Planning Region. The background analysis presents different indicators to assess the County's economic condition. These indicators include labor force and employment characteristics, addressing historical and future economic conditions, as well as income. In addition, the County's public revenues, infrastructure and recent economic development activities are discussed. In a separate section of the Technical Background Report, the existing conditions and trends are addressed for five economic sub-areas to provide a more detailed level of analysis. The analysis for the six economic sub-areas is presented for demographics, residential trends, employment and taxable sales, as well as for additional variables such as non-residential market trends and quality of life issues. Locational attributes of each of the Planning Regions are presented at the end of the section.

### 8.1.2 APPROACH/METHODOLOGY

The analysis relies on primarily 1990 and 2000 U.S. Census demographic data, California Employment Development Department data and other state and regional sources, including various local San Bernardino County sources and SCAG regional growth studies. For Census data, the approach has been to aggregate the Block Group level information into various geographic areas. The Block Group level information was aggregated to the three major Planning Regions, the Economic Sub-Areas, and Census Tracts using the proper attribute identifier imbedded in the block group data. The set of attribute identifiers for the Geographic Areas is called the GIS Correspondence table. For employment data, the approach has been to aggregate address level employment information to Zip Codes, and then to further aggregate from Zip Codes to Planning Regions. In the few cases where Block Groups or Zip Codes overlapped Planning Regions, judgment was used to assign the information to a specific Planning Region.

## 8.2 IDENTIFICATION OF PUBLIC CONCERNS

The following summarizes the key economic issues that are common to all Planning Regions in the County that have been identified through community meetings held in conjunction with this General Plan Program. These areas of public concern include, increased commercial and high-density residential development, employment, housing variety and affordability, quality of public services, and infrastructure.

### 8.2.1 INCREASED DEVELOPMENT: IMPACT ON RURAL RESIDENTIAL CHARACTER OF COMMUNITIES

Many of the County's communities believe their rural nature and small town atmosphere are the key attributes of their community. High-density residential development that would detract from their rural character was stated as a concern, as was the impact of commercial development upon the residential community. Growth limitations on development were viewed as a possible solution to maintain the rural residential quality of life. Communities expressed the desire to limit retail development to neighborhood-serving, rather than large volume-oriented retailers, which impact the established "mom & pop" businesses in the communities.

### 8.2.2 EMPLOYMENT: ECONOMIC DEVELOPMENT

Job growth is needed in many communities to strengthen the economic base of the area. Job growth will involve providing space for new industries and employers to locate in the area, as well as providing job training programs to maintain an educated and skilled labor force. "Cottage Industries" were often mentioned as an opportunity for job growth. The need to provide enhanced data communications technology to attract businesses and an upscale "home-employment" base was also mentioned.

### 8.2.3 HOUSING VARIETY AND AFFORDABILITY

Residents in several communities expressed concern that there was not a wide range of housing types in different price ranges available. This presents a constraint when attracting businesses to the County. A mix of housing types, including executive housing, is desired in the communities.

### 8.2.4 QUALITY OF PUBLIC SERVICES

Public services, such as road and sewer maintenance, were cited as key areas of concern. The need to maintain and expand public revenue sources will be important to providing a high quality of public services and facilities, since service costs may increase beyond the ability of generating public revenues to support.

### 8.2.5 INFRASTRUCTURE

There is a perception that the existing County infrastructure is aging in some areas, and may not be adequate to support future growth. New or enhanced public infrastructure, including upgraded data

communications facilities, is viewed as required to meet the needs of an increasing population and labor force in a technology oriented economy.

### 8.3 EXISTING CONDITIONS

This section of the Report presents existing conditions at the Planning Region level for several socio-economic characteristics. These include the County's labor force, employment base, annual payroll trends, public revenues such as taxable sales, and current economic development activity and programs in the County. The data is provided from several sources, including the 1990 and 2000 U.S. Census, the California Employment Development Department, and the most recent County adopted annual operating budget. In addition, employment projections from the Southern California Association of Government's 2004 Regional Transportation Plan (RTP) are provided. The information is presented Countywide, as well as by Planning Region (Valley, Mountain and Desert).

#### 8.3.1 LABOR FORCE

This section discusses trends and characteristics of the County's labor force, which includes the population age 16 years and over. In the Appendix of the Technical Background Report, labor force characteristics are addressed for the six economic sub-areas to provide a more detailed level of analysis.

##### 8.3.1.1 LABOR FORCE CHARACTERISTICS

###### *County*

As shown in Table 8-1, the largest growth in occupations in the County from 1990 to 2000 was in Construction and Maintenance occupations. This reflects the strong building activity resulting from the population and housing growth that has occurred in the County over this time period. Service occupations followed Construction, reflecting a commensurate increase in the service needs of the growing population in the area. The County, as well as all Planning Regions, experienced declines in the Production category and Farming category. In 2000, the County's labor force showed diversity with roughly equal proportions of Management and Professional (28.1 percent) and Sales and Office (27.3 percent) occupations.

###### *Valley*

As shown in Table 8-2, the Valley Planning Region also experienced strong growth in Construction and Maintenance occupations, followed by Service occupations. While Construction occupations also showed a strong increase in the unincorporated areas of the County, the other categories declined during this time period. In 2000, again the labor force showed diversity with roughly equal proportions of Management and Professional (28.5 percent) and Sales and Office (27.6 percent) occupations. In the unincorporated area, the predominant category was Sales and Office occupations, followed by Production and Transportation.

# ECONOMIC DEVELOPMENT



**Table 8-1. Distribution of County Labor Force by Occupation: 1990 and 2000**

	1990	% Dist.	2000	% Dist.	1990-2000 Change in Population
<b>County Incorporated</b>					
Management & professional	125,229	26.8%	160,218	28.6%	27.9%
Service	60,303	12.9%	87,617	15.7%	45.3%
Sales & Office	135,467	29.0%	154,755	27.7%	14.2%
Farming, fishing, & forestry	7,976	1.7%	2,495	0.4%	-68.7%
Construction, extract. & maintenance	22,409	4.8%	59,256	10.6%	164.4%
Production, transp., & material moving	<u>115,866</u>	<u>24.8%</u>	<u>95,291</u>	<u>17.0%</u>	<u>-17.8%</u>
Subtotal	467,250	100.0%	559,632	100.0%	19.8%
<b>County Unincorporated</b>					
Management & professional	34,146	27.5%	25,878	25.5%	-24.2%
Service	15,954	12.9%	17,111	16.8%	7.3%
Sales & Office	33,708	27.2%	25,692	25.3%	-23.8%
Farming, fishing, & forestry	3,121	2.5%	545	0.5%	-82.5%
Construction, extract. & maintenance	5,471	4.4%	15,263	15.0%	179.0%
Production, transp., & material moving	<u>31,721</u>	<u>25.6%</u>	<u>17,151</u>	<u>16.9%</u>	<u>-45.9%</u>
Subtotal	124,121	100.0%	101,640	100.0%	-18.1%
<b>Total County</b>					
Management & professional	159,375	27.0%	186,096	28.1%	16.8%
Service	76,257	12.9%	104,728	15.8%	37.3%
Sales & Office	169,175	28.6%	180,447	27.3%	6.7%
Farming, fishing, & forestry	11,097	1.9%	3,040	0.5%	-72.6%
Construction, extract. & maintenance	27,880	4.7%	74,519	11.3%	167.3%
Production, transp., & material moving	<u>147,587</u>	<u>25.0%</u>	<u>112,442</u>	<u>17.0%</u>	<u>-23.8%</u>
<b>Total</b>	<b>591,371</b>	<b>100.0%</b>	<b>661,272</b>	<b>100.0%</b>	<b>11.8%</b>

Source: U.S. Census Data, 1990 and 2000.



## ECONOMIC DEVELOPMENT

**Table 8-2. Valley Planning Region Labor Force by Occupation: 1990 and 2000**

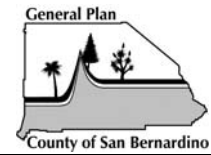
	1990	% Dist.	2000	% Dist.	1990-2000 Change in Population
<b>Valley Incorporated</b>					
Management & professional	108,677	27.4%	136,871	29.3%	25.9%
Service	50,342	12.7%	71,284	15.2%	41.6%
Sales & Office	116,251	29.3%	130,125	27.8%	11.9%
Farming, fishing, & forestry	6,933	1.7%	2,286	0.5%	-67.0%
Construction, extract. & maintenance	18,661	4.7%	46,876	10.0%	151.2%
Production, transp., & material moving	96,051	24.2%	80,337	17.2%	-16.4%
Subtotal	396,915	100.0%	467,779	100.0%	17.9%
<b>Valley Unincorporated</b>					
Management & professional	18,522	27.5%	8,456	20.2%	-54.3%
Service	8,059	12.0%	6,691	16.0%	-17.0%
Sales & Office	18,526	27.5%	10,463	25.0%	-43.5%
Farming, fishing, & forestry	2,015	3.0%	231	0.6%	-88.5%
Construction, extract. & maintenance	2,991	4.4%	5,856	14.0%	95.8%
Production, transp., & material moving	17,308	25.7%	10,082	24.1%	-41.7%
Subtotal	67,421	100.0%	41,779	100.0%	-38.0%
<b>Total Valley</b>					
Management & professional	127,199	27.4%	145,327	28.5%	14.3%
Service	58,401	12.6%	77,975	15.3%	33.5%
Sales & Office	134,777	29.0%	140,588	27.6%	4.3%
Farming, fishing, & forestry	8,948	1.9%	2,517	0.5%	-71.9%
Construction, extract. & maintenance	21,652	4.7%	52,732	10.3%	143.5%
Production, transp., & material moving	113,359	24.4%	90,419	17.7%	-20.2%
<b>Total</b>	<b>464,336</b>	<b>100.0%</b>	<b>509,558</b>	<b>100.0%</b>	<b>9.7%</b>

Source: U.S. Census Data, 1990 and 2000.

### Mountain

As shown in Table 8-3, the Mountain Planning Region experienced the strongest growth in Construction occupations of all the Planning Regions from 1990 to 2000, increasing by 353.4 percent. Service occupations followed Construction. In 2000 the labor force was comprised primarily of Management and Professional (34.8 percent) occupations followed by Sales and Office occupations (25.9 percent). In the unincorporated area, this was also true.

# ECONOMIC DEVELOPMENT



## Desert

As shown in Table 8-4, the Desert Planning Region also experienced strong growth in Construction and Maintenance occupations, followed by Service occupations. Similar to the other planning areas, in 2000, the labor force had roughly equal proportions of Sales and Office (26.4 percent) and Management and Professional (25.2 percent) occupations. In the unincorporated area, this was also true.

**Table 8-3. Mountain Planning Area Labor Force by Occupation: 1990 and 2000**

	1990	% Dist.	2000	% Dist.	1990-2000 Change in Population
<b>Mountain Incorporated</b>					
Management & professional	802	33.2%	816	33.6%	1.7%
Service	460	19.0%	527	21.7%	14.6%
Sales & Office	609	25.2%	657	27.0%	7.9%
Farming, fishing, & forestry	34	1.4%	0	0.0%	-100.0%
Construction, extract. & maintenance	92	3.8%	304	12.5%	230.4%
Production, transp., & material moving	<u>421</u>	<u>17.4%</u>	<u>128</u>	<u>5.3%</u>	<u>-69.6%</u>
Subtotal	2,418	100.0%	2,432	100.0%	0.6%
<b>Mountain Unincorporated</b>					
Management & professional	6,441	35.2%	8,189	35.0%	27.1%
Service	2,522	13.8%	3,892	16.6%	54.3%
Sales & Office	4,642	25.4%	6,031	25.8%	29.9%
Farming, fishing, & forestry	277	1.5%	36	0.2%	-87.0%
Construction, extract. & maintenance	651	3.6%	3,065	13.1%	370.8%
Production, transp., & material moving	<u>3,746</u>	<u>20.5%</u>	<u>2,196</u>	<u>9.4%</u>	<u>-41.4%</u>
Subtotal	18,279	100.0%	23,409	100.0%	28.1%
<b>Total Mountain</b>					
Management & professional	7,243	35.0%	9,005	34.8%	24.3%
Service	2,982	14.4%	4,419	17.1%	48.2%
Sales & Office	5,251	25.4%	6,688	25.9%	27.4%
Farming, fishing, & forestry	311	1.5%	36	0.1%	-88.4%
Construction, extract. & maintenance	743	3.6%	3,369	13.0%	353.4%
Production, transp., & material moving	<u>4,167</u>	<u>20.1%</u>	<u>2,324</u>	<u>9.0%</u>	<u>-44.2%</u>
<b>Total</b>	<b>20,697</b>	<b>100.0%</b>	<b>25,841</b>	<b>100.0%</b>	<b>24.9%</b>

Source: U.S. Census Data, 1990 and 2000.

## ECONOMIC DEVELOPMENT

**Table 8-4. Desert Planning Region Labor Force by Occupation: 1990 and 2000**

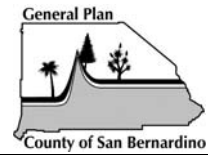
	1990	% Dist.	2000	% Dist.	1990-2000 Change in Population
<b>Desert Incorporated</b>					
Management & professional	15,750	23.2%	22,531	25.2%	43.1%
Service	9,501	14.0%	15,806	17.7%	66.4%
Sales & Office	18,607	27.4%	23,973	26.8%	28.8%
Farming, fishing, & forestry	1,009	1.5%	209	0.2%	-79.3%
Construction, extract. & maintenance	3,656	5.4%	12,076	13.5%	230.3%
Production, transp., & material moving	<u>19,394</u>	<u>28.6%</u>	<u>14,826</u>	<u>16.6%</u>	<u>-23.6%</u>
Subtotal	67,917	100.0%	89,421	100.0%	31.7%
<b>Desert Unincorporated</b>					
Management & professional	9,183	23.9%	9,233	25.3%	0.5%
Service	5,373	14.0%	6,528	17.9%	21.5%
Sales & Office	10,540	27.4%	9,198	25.2%	-12.7%
Farming, fishing, & forestry	829	2.2%	278	0.8%	-66.5%
Construction, extract. & maintenance	1,829	4.8%	6,342	17.4%	246.7%
Production, transp., & material moving	<u>10,667</u>	<u>27.8%</u>	<u>4,873</u>	<u>13.4%</u>	<u>-54.3%</u>
Subtotal	38,421	100.0%	36,452	100.0%	-5.1%
<b>Total Desert</b>					
Management & professional	24,933	23.4%	31,764	25.2%	27.4%
Service	14,874	14.0%	22,334	17.7%	50.2%
Sales & Office	29,147	27.4%	33,171	26.4%	13.8%
Farming, fishing, & forestry	1,838	1.7%	487	0.4%	-73.5%
Construction, extract. & maintenance	5,485	5.2%	18,418	14.6%	235.8%
Production, transp., & material moving	<u>30,061</u>	<u>28.3%</u>	<u>19,699</u>	<u>15.6%</u>	<u>-34.5%</u>
<b>Total</b>	<b>106,338</b>	<b>100.0%</b>	<b>125,873</b>	<b>100.0%</b>	<b>18.4%</b>

Source: U.S. Census Data, 1990 and 2000.

### 8.3.1.2 UNEMPLOYMENT

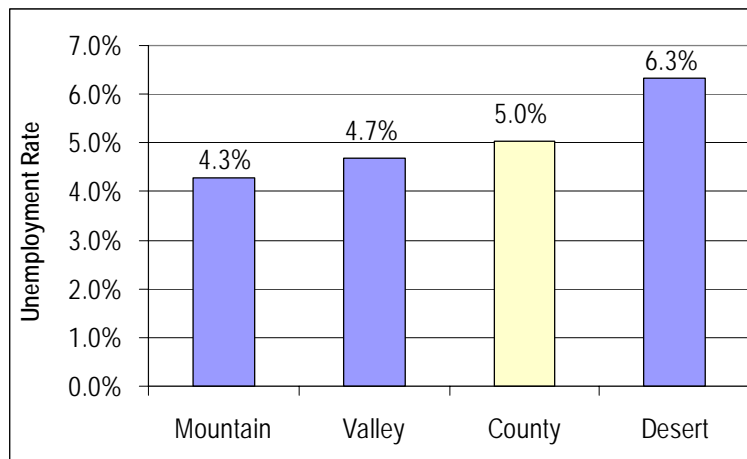
Unemployment rates for December 2003 provided by the California Employment Development Department are shown in Figure 8-1 and Table 8-5. As of December 2003, the County had an unemployment rate of about 5.0 percent. (The unemployment rate is estimated by dividing the unemployed labor force by the total labor force, which are those residents of a community age 16 years and older.) The Mountain Planning Region had the lowest rate overall, at 4.3 percent, while

## ECONOMIC DEVELOPMENT



the Desert Planning Region had the highest rate, at 6.3 percent. The community with the highest unemployment rate in the County was Adelanto (in the Desert Planning Region), which had an unemployment rate of 12.6 percent. These higher rates in the Desert Planning Region may indicate that the job skills of the labor force are not keeping pace with the types of jobs available. The individual community with the lowest rate was Chino Hills, at 1.8 percent.

**Figure 8-1. Unemployment, as of December 2003**



Source: California Employment Development Department.

## ECONOMIC DEVELOPMENT

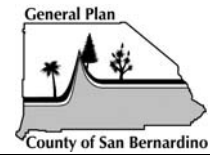
**Table 8-5. Unemployment Rates, as of December 2003**

Planning Area	Unemployment Rate
<b><u>Valley</u></b>	
Bloomington	7.9%
San Bernardino	7.3%
Colton	6.5%
Highland	5.9%
Rialto	5.4%
Montclair	5.0%
Fontana	4.9%
Ontario	4.8%
Mentone	3.8%
Chino	3.6%
Yucaipa	3.4%
Upland	3.4%
Redlands	3.2%
Rancho Cucamonga	3.2%
Loma Linda	3.1%
Grand Terrace	2.8%
Chino Hills	1.8%
Subtotal	4.7%
<b><u>Mountain</u></b>	
Crestline	5.2%
Running Springs	4.4%
Big Bear Lake	3.9%
Lake Arrowhead	3.4%
Subtotal	4.3%
<b><u>Desert</u></b>	
Adelanto	12.6%
Twentynine Palms	7.9%
Victorville	6.9%
Barstow	6.5%
Hesperia	6.1%
Apple Valley	5.3%
Yucca Valley	5.1%
Needles	3.7%
Subtotal	6.3%
<b>Total County</b>	<b>5.0%</b>

Source: California Employment Development Department.

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## 8.3.2 HOUSEHOLD INCOME

This section discusses trends in household income for the County and Planning Regions. In the Appendix of the Technical Background Report, household income is addressed for the five economic sub-areas to provide a more detailed level of analysis.

### 8.3.2.1 AVERAGE HOUSEHOLD INCOME AND MEDIAN HOUSEHOLD INCOME

As shown in Table 8-6, the County had an average (or mean) household income of \$53,064 in 2000, 25 percent higher than the median household income of \$42,446. The Mountain Planning Region had the highest average household income and median household income during 2000, followed by the Valley Planning Region. The Desert Planning Region had the lowest. The Mountain Planning Region has a large number of second homes, characteristic of higher incomes, and the Valley Planning Region has a concentration of professional and technical jobs at established job centers such as Ontario. Income growth from 1990 to 2000 generally kept pace with inflation, which was about 26 percent over this time period. However, this was not true in the unincorporated portion of the Valley Planning Region or in the unincorporated area of the County. In particular, the Valley Planning Region showed the smallest growth in household income over this time period.

### 8.3.2.2 INCOME DISTRIBUTION

As shown in Table 8-7 and Figure 8-2, about 19 percent to 21 percent of the households in the County and Planning Regions earned average annual household incomes of \$50,000 to \$74,000 in 2000. This was also true in the unincorporated areas. The Mountain Planning Region shows the highest incomes, with 26.3 percent of its households earning \$75,000 or more annually. In the unincorporated area of the Mountain Planning Region, about 27 percent of the households earned annual incomes of \$75,000 or more. The Desert Planning Region has a larger concentration of lower incomes, with 34.6 percent of the households earning less than \$25,000 annually. This was also true in the unincorporated area of the Desert Planning Region. This may be reflective of a larger number of retirement households.

### 8.3.2.3 PER CAPITA INCOME

As shown in Table 8-8, the County had an annual per capita income of \$16,860 in 2000, 24.8 percent higher than the per capita income of \$13,512 in 1990. In the total County, per capita income growth from 1990 to 2000 generally kept pace with inflation, which was about 26 percent over this time period. However, this was not true in the unincorporated portion of the County, where the annual per capita income increased by 16.7 percent. Except for the Valley Planning Region, the annual per capita income also kept pace with inflation over this time period in the planning areas. The decrease in per capita income for the unincorporated area of the Valley Planning Region was likely due to the loss of income when Chino Hills incorporated in 1991.

During 2000, the Mountain Planning Region had the highest per capita income (\$23,253), followed by the Valley Planning Region (\$16,946). The Desert Planning Region had the lowest (\$15,582). As shown in Figure 8-3, during 2000, the per capita income was roughly the same in the unincorporated area as it was in the total area, with the exception of the Valley Planning Region.

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**Table 8-6. Average Household Income and Median Household Income: 1990 and 2000**

Planning Area	Unincorporated			Total Area		
	1990	2000	% Change	1990	2000	% Change
<b>Valley</b>						
Average HH Income	\$44,401	\$47,134	6.2%	\$41,540	\$55,491	33.6%
Median HH Income	\$37,153	\$37,322	0.5%	\$35,316	\$44,471	25.9%
<b>Mountain</b>						
Average HH Income	\$47,756	\$60,709	27.1%	\$46,459	\$59,500	28.1%
Median HH Income	\$38,147	\$47,866	25.5%	\$36,811	\$46,511	26.4%
<b>Desert</b>						
Average HH Income	\$33,026	\$44,146	33.7%	\$34,227	\$44,592	30.3%
Median HH Income	\$26,199	\$35,348	34.9%	\$28,076	\$36,075	28.5%
<b>County</b>						
Average HH Income	\$40,270	\$48,704	20.9%	\$40,055	\$53,064	32.5%
Median HH Income	\$32,581	\$38,430	18.0%	\$33,443	\$42,446	26.9%

Source: U.S. Census Data, 1990 and 2000.

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**Table 8-7. Distribution of Households by Average Household Income: 2000**

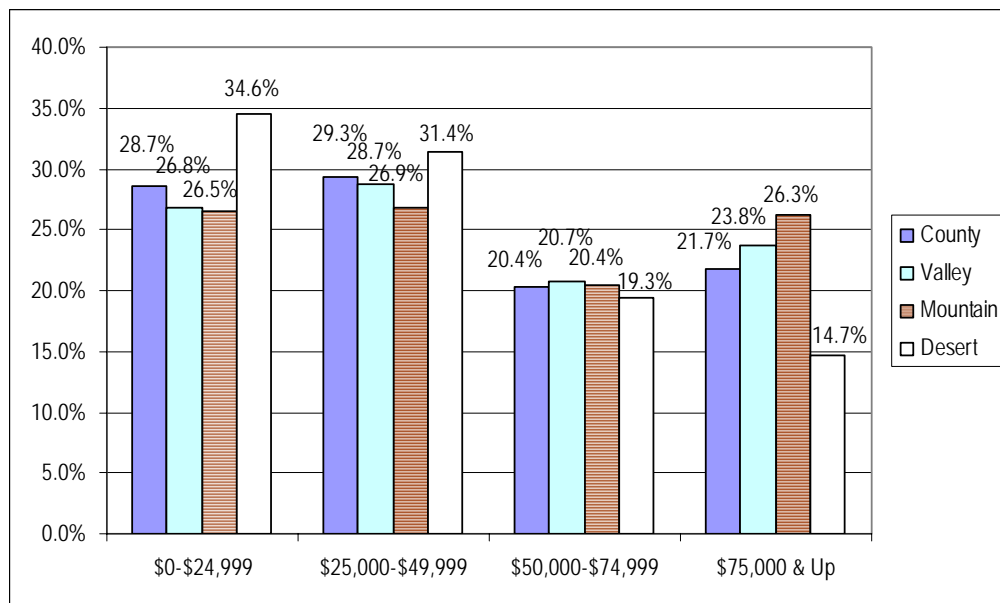
	County		Valley		Mountain		Desert	
	House Holds	% Dist.	House Holds	% Dist.	House Holds	% Dist.	House Holds	% Dist.
<b>Incorporated</b>								
\$0 - \$14,999	66,856	15.3%	49,957	14.3%	432	18.3%	16,467	19.0%
\$15,000-\$24,999	55,554	12.7%	41,727	12.0%	487	20.6%	13,340	15.4%
\$25,000-\$34,999	53,811	12.3%	41,612	11.9%	274	11.6%	11,925	13.8%
\$35,000-\$49,999	72,851	16.6%	57,510	16.5%	294	12.5%	15,047	17.4%
\$50,000-\$74,999	90,254	20.6%	72,768	20.9%	421	17.8%	17,065	19.7%
\$75,000-\$99,999	48,574	11.1%	41,134	11.8%	193	8.2%	7,247	8.4%
\$100,000 & Up	49,689	11.4%	43,984	12.6%	258	10.9%	5,447	6.3%
Subtotal	437,589	100.0%	348,692	100.0%	2,359	100.0%	86,538	100.0%
<b>Unincorporated</b>								
\$0 - \$14,999	15,936	17.5%	6,110	18.5%	2,424	12.6%	7,402	18.9%
\$15,000-\$24,999	13,200	14.5%	4,609	14.0%	2,357	12.3%	6,234	15.9%
\$25,000-\$34,999	12,702	13.9%	4,797	14.6%	2,139	11.2%	5,766	14.7%
\$35,000-\$49,999	15,388	16.9%	5,609	17.0%	3,074	16.0%	6,705	17.1%
\$50,000-\$74,999	17,435	19.1%	6,222	18.9%	3,967	20.7%	7,246	18.5%
\$75,000-\$99,999	8,333	9.1%	2,948	8.9%	2,348	12.3%	3,037	7.8%
\$100,000 & Up	8,256	9.0%	2,658	8.1%	2,858	14.9%	2,740	7.0%
Subtotal	91,250	100.0%	32,953	100.0%	19,167	100.0%	39,130	100.0%
<b>Total</b>								
\$0 - \$14,999	82,792	15.7%	56,067	14.7%	2,856	13.3%	23,869	19.0%
\$15,000-\$24,999	68,754	13.0%	46,336	12.1%	2,844	13.2%	19,574	15.6%
\$25,000-\$34,999	66,513	12.6%	46,409	12.2%	2,413	11.2%	17,691	14.1%
\$35,000-\$49,999	88,239	16.7%	63,119	16.5%	3,368	15.6%	21,752	17.3%
\$50,000-\$74,999	107,689	20.4%	78,990	20.7%	4,388	20.4%	24,311	19.3%
\$75,000-\$99,999	56,907	10.8%	44,082	11.6%	2,541	11.8%	10,284	8.2%
\$100,000 & Up	57,945	11.0%	46,642	12.2%	3,116	14.5%	8,187	6.5%
<b>Total</b>	<b>528,839</b>	<b>100.0%</b>	<b>381,645</b>	<b>100.0%</b>	<b>21,526</b>	<b>100.0%</b>	<b>125,668</b>	<b>100.0%</b>

Source: U.S. Census Data, 1990 and 2000.



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**Figure 8-2. Distribution of Households by Average Household Income: 2000**



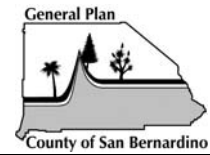
Source: U.S. Census Data, 1990 and 2000.

**Table 8-8. Annual per capita Income: 1990 and 2000  
Unincorporated Area and Total**

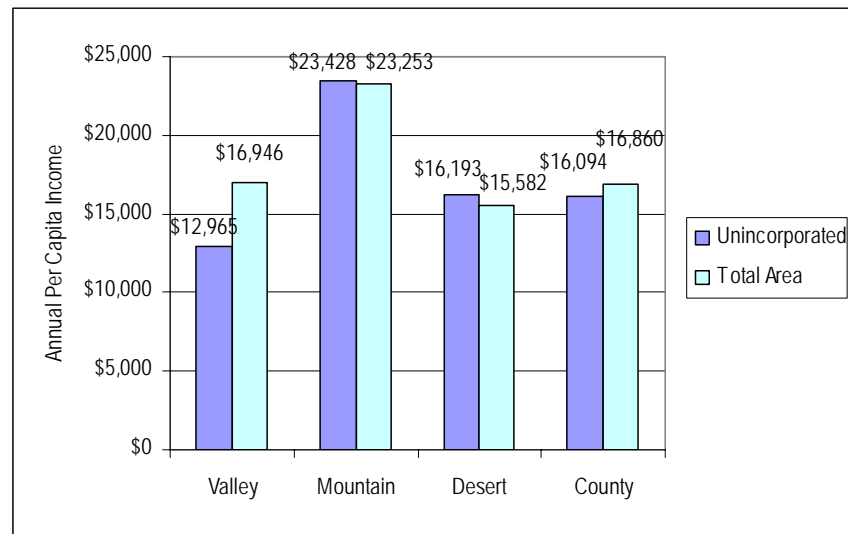
Planning Area	Unincorporated			Total Area		
	1990	2000	% Change	1990	2000	% Change
Valley	\$14,071	\$12,965	-7.9%	\$13,739	\$16,946	23.3%
Mountain	\$17,984	\$23,428	30.3%	\$17,790	\$23,253	30.7%
Desert	\$12,032	\$16,193	34.6%	\$12,091	\$15,582	28.9%
County	\$13,794	\$16,094	16.7%	\$13,512	\$16,860	24.8%

Source: U.S. Census Data, 1990 and 2000.

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**Figure 8-3. Annual Per Capita Income: 2000  
Unincorporated and Total**



Source: U.S. Census Data, 1990 and 2000.

## 8.3.3 EMPLOYMENT

This section discusses trends in employment and payroll for the County and Planning Regions. In the Appendix of the Technical Background Report, employment is addressed for the five economic sub-areas to provide a more detailed level of analysis.

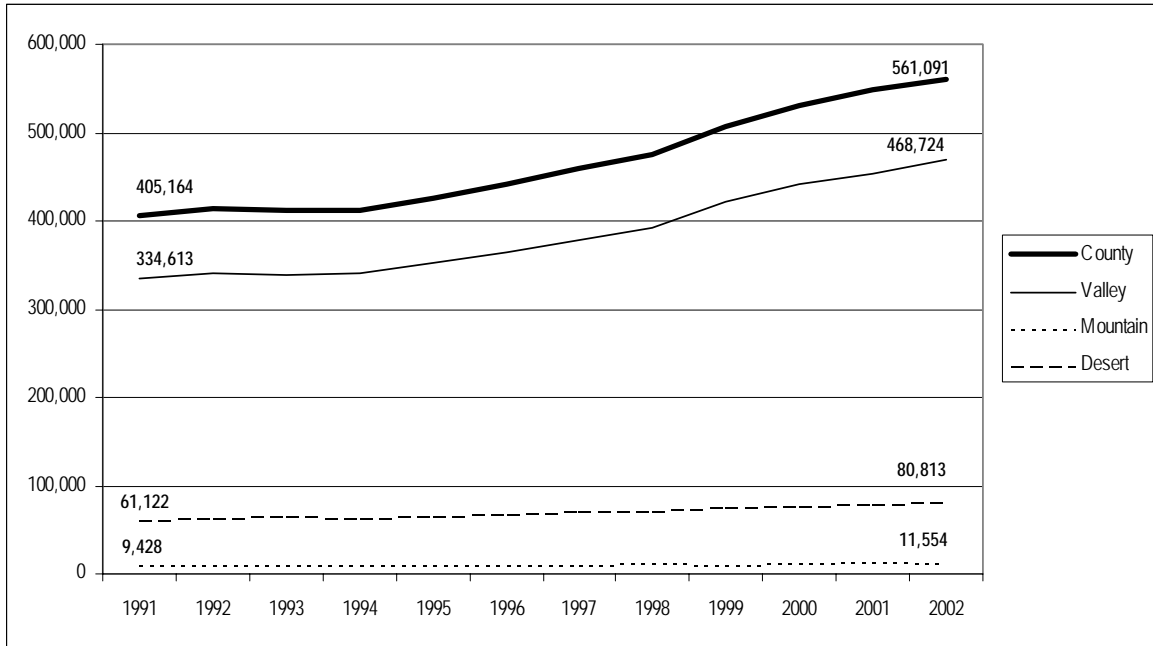
### 8.3.3.1 OVERALL EMPLOYMENT GROWTH: 1991 TO 2002

According to the California Employment Development Department data, and as shown in Figure 8-4, wage and salary employment Countywide grew from 405,164 in 1991 to 561,091 in 2002. This was an increase of almost 156,000 jobs at a 3.0 percent annual average growth rate. Even during the recessionary period of the early 1990s and the economic difficulties during the early 2000s, the employment growth has been relatively stable or positive from year to year over this period.

The bulk of this job growth, or 86 percent, was captured in the Valley Planning Region. Also, the Valley Planning Region grew at essentially the same Countywide average annual growth rate, 3.1 percent, compared to the Mountain Planning Region (1.9 percent) and the Desert Planning Region (2.6 percent). As shown in Figure 8-5, this has resulted in the Valley Planning Region increasing its share of the total employment slightly from 82.6 percent in 1991 to 83.5 percent in 2002. In 2002, the Desert Planning Region represented only 15.1 percent of total County employment followed by the Mountain Planning Region at 2.3 percent. Employment data for the unincorporated area within each Planning Region was not available.

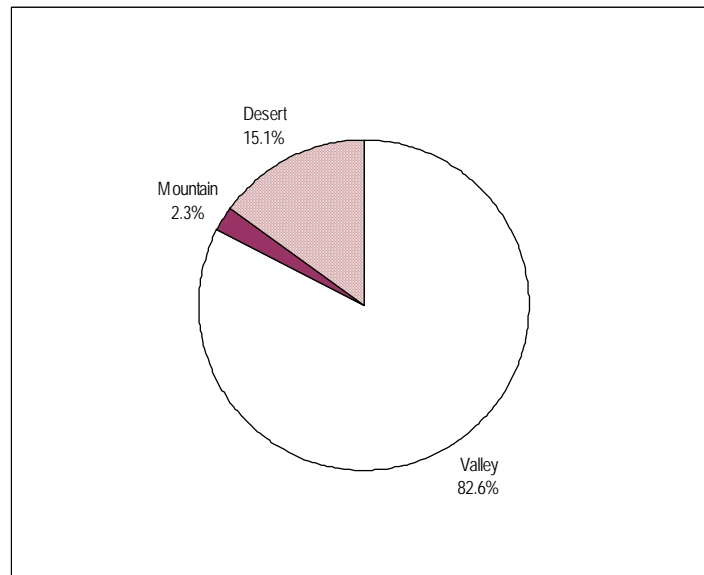
## ECONOMIC DEVELOPMENT

**Figure 8-4. Employment Trends: 1991 to 2002**  
**San Bernardino County and Planning Regions**

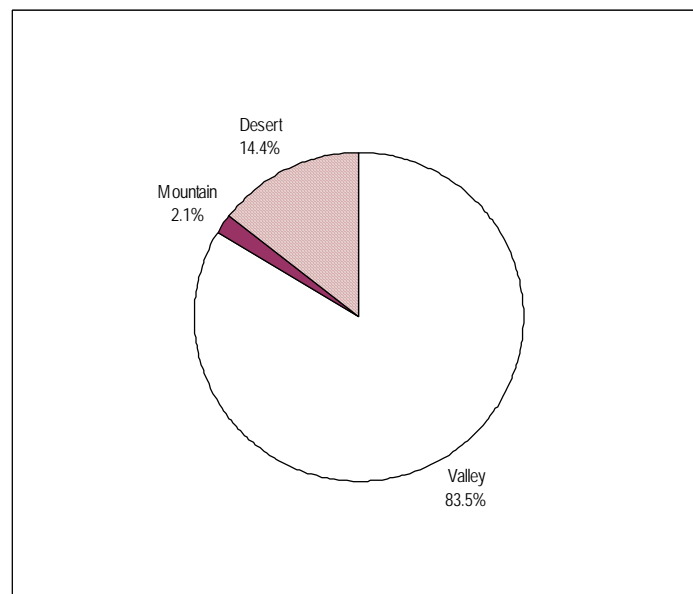


Source: CA Employment Development Department.

Figure 8-5. Share of Total County Employment: 1991 and 2002  
San Bernardino County Planning Regions  
1991



1992



## 8.3.3.2 DISTRIBUTION OF EMPLOYMENT BY SECTORS

As shown in Table 8-9, employment by sector at the Countywide level grew in every category except Aerospace, which showed a decline of about 5,500 jobs from 1991 to 2002. The three top growth sectors over this period in terms of number of jobs, were Retail (23,108 jobs) driven largely by the sizable population increase, Distribution and Transportation (22,142 jobs) reflecting San Bernardino County's increasing regional role as a warehousing and distribution center, and Manufacturing (21,688 jobs) primarily influenced by the lower industrial land prices relative to Los Angeles and Orange Counties and the growing labor force. Local serving sectors that showed strong growth were Other Services (14,953 jobs), Health Services (12,474 jobs) and Education (19,256 jobs). Construction (11,920 jobs) also increased driven by the high level of development activity over this period.

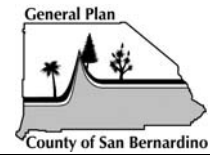
In 2002, the largest share of the employment in the County was in the Retail Trade Sector, at 23.5 percent of the total jobs. This was followed by Manufacturing, at 14.2 percent of the total jobs and Education, at 13.2 percent of the total.

**Table 8-9. Distribution Of Employment By Sector: 1991 And 2002  
San Bernardino County**

Employment Sector	1991	% Dist.	2002	% Dist.	Average Annual Growth Rate
Agriculture	7,401	2.2%	8,350	1.8%	1.1%
Aerospace	6,783	2.0%	1,308	0.3%	-13.9%
Bus. Serv.	9,703	2.9%	20,664	4.4%	7.1%
Construction	22,967	6.9%	34,887	7.4%	3.9%
Distrib./Transp.	36,586	10.9%	58,728	12.5%	4.4%
Education	42,565	12.7%	61,821	13.2%	3.5%
Employ Agcy.	6,715	2.0%	18,428	3.9%	9.6%
Eng. & Mgmt	7,436	2.2%	9,022	1.9%	1.8%
Fin, Ins, REst	18,857	5.6%	19,659	4.2%	0.4%
Government	32,356	9.7%	35,894	7.7%	0.9%
Health Service	40,360	12.1%	52,834	11.3%	2.5%
Hotel & Amuse.	10,340	3.1%	14,916	3.2%	3.4%
Manufacturing	45,088	13.5%	66,776	14.2%	3.6%
Other Services	23,301	7.0%	38,254	8.2%	4.6%
Retail Trade	86,961	26.0%	110,069	23.5%	2.2%
Utilities	7,745	2.3%	9,481	2.0%	1.9%
<b>Total</b>	<b>405,164</b>	<b>121.1%</b>	<b>561,091</b>	<b>119.7%</b>	<b>3.0%</b>

Source: CA Employment Development Department

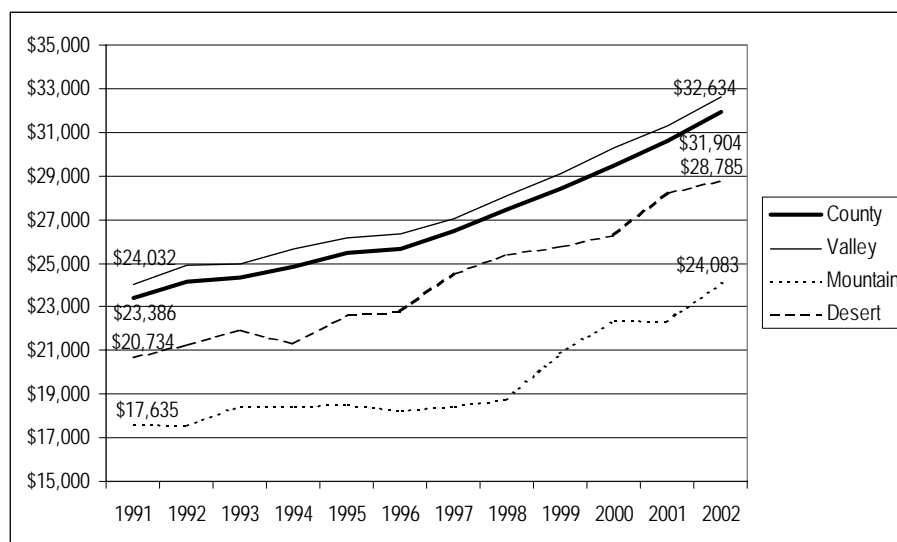
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### 8.3.3.3 AVERAGE PAYROLL PER JOB TRENDS: 1991 TO 2002

The overall average payroll per job in San Bernardino County has generally grown faster than inflation over the 1991 to 2002 period as shown in Figure 8-6. Countywide, the average payroll per job increased to \$31,904 by 2002. This is an increase of 36 percent compared to the consumer price index (CPI) increase of about 29 percent over this same period. While the overall average payroll per job levels varied by Planning Regions, they all experienced faster growth than the CPI ranging from 36 percent for the Valley Planning Region to a high of 39 percent for the Mountain Planning Region. The Valley Planning Region had the highest average payroll per job level in 2002 at \$32,634, or about 2 percent above the County average. The Desert Planning Region had an average payroll per job level of \$28,785, or about 90 percent of the County average. This was followed by the Mountain Planning Region's average of \$24,083, or 75 percent of the County average.

**Figure 8-6. Trends In Average Payroll Per Job: 1991 and 2002  
San Bernardino County And Planning Regions**



Source: CA Employment Development Department.

### 8.3.3.4 DISTRIBUTION OF AVERAGE PAYROLL PER JOB COUNTYWIDE: 1991 TO 2002

The average payroll per job varied considerably as shown in Table 8-10. When shown relative to the Countywide average of \$31,904 in 2002, Aerospace, Education, Engineering and Management, Finance, Insurance and Real Estate and Utilities were all 20 percent or more above the County average. As these types of industries continue to grow in the County, the average wages will increase. Distribution and Transportation, Construction and Manufacturing were about 10 percent above the Countywide average. In contrast, average payroll per job in Employment Agencies, Hotel and Amusement, Retail Trade, Other Services and Agriculture were quite low ranging from 40 percent to 70 percent of the Countywide average.

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**Table 8-10. Average Payroll Per Job: 1991 and 2002  
San Bernardino County**

Employment Sector	1991	Ratio of Sector to County	2002	Ratio of Sector to County	Average Annual Growth Rate
Agriculture	\$16,317	0.7	\$21,773	0.7	2.7%
Aerospace	36,373	1.6	51,790	1.6	3.3%
Bus. Serv.	19,656	0.8	31,683	1.0	4.4%
Construction	26,874	1.1	35,813	1.1	2.6%
Distrib./Transp.	26,245	1.1	34,360	1.1	2.5%
Education	25,954	1.1	38,848	1.2	3.7%
Employ Agcy.	10,916	0.5	14,189	0.4	2.4%
Eng. & Mgmt	32,692	1.4	42,164	1.3	2.3%
Fin, Ins, REst	27,393	1.2	40,279	1.3	3.6%
Government	30,689	1.3	43,742	1.4	3.3%
Health Service	29,966	1.3	40,175	1.3	2.7%
Hotel & Amuse.	11,340	0.5	19,273	0.6	4.9%
Manufacturing	25,886	1.1	34,434	1.1	2.6%
Other Services	16,921	0.7	22,518	0.7	2.6%
Retail Trade	14,566	0.6	20,710	0.6	3.3%
Utilities	<u>32,817</u>	<u>1.4</u>	<u>49,929</u>	<u>1.6</u>	<u>3.9%</u>
Countywide	\$23,386	1.0	\$31,904	1.0	2.9%

Source: CA Employment Development Department

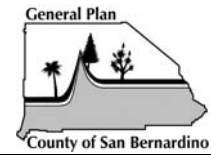
### 8.3.3.5 VALLEY PLANNING REGION EMPLOYMENT BY SECTOR: 1991 AND 2002

As shown in Table 8-11, the growth of employment by sector in the Valley Planning Region was very similar to the overall County trends described earlier. This is not surprising since this area constitutes about 83 percent of the total county employment. The Valley is the hub of Distribution and Transportation and Manufacturing activities and also has the main County government center in the City of San Bernardino. In contrast, the Valley also experienced the full loss of the aerospace employment over the 1990s. This sector has stabilized, but it has not shown signs of significant new growth.

### 8.3.3.6 MOUNTAIN PLANNING REGION EMPLOYMENT BY SECTOR: 1991 AND 2002

As shown in Table 8-12, the distribution of employment by sector in the Mountain Planning Region was quite different than the Valley. Since this area's economic base is primarily driven by recreation and tourism, as well as a high proportion of second homes, Retail Trade, Hotel and Amusement, and Other Services were the major sectors in 2002, constituting 52 percent of the total employment. Also, while Hotel and Amusement was a major sector in the Mountain Planning Region, it did show about a 14 percent decline from 1991 to 2002, reflecting the general decline in the travel and tourism industries over the past few years. For confidentiality reasons, employment for several of the sectors is shown as zero and combined with other sectors.

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**Table 8-11. Distribution Of Employment By Sector: 1991 and 2002  
Valley Planning Region**

Employment Sector	1991	% of Planning Area	2002	% of Planning Area	Average Annual Growth Rate
Agriculture	6,617	2.0%	7,529	1.6%	1.2%
Aerospace	6,783	2.0%	1,308	0.3%	-13.9%
Bus. Serv.	7,354	2.2%	17,082	3.6%	8.0%
Construction	18,645	5.6%	29,044	6.2%	4.1%
Distrib./Transp.	31,203	9.3%	52,739	11.3%	4.9%
Education	33,126	9.9%	47,771	10.2%	3.4%
Employ Agcy.	6,715	2.0%	18,428	3.9%	9.6%
Eng. & Mgmt	6,671	2.0%	7,590	1.6%	1.2%
Fin, Ins, REst	15,277	4.6%	16,675	3.6%	0.8%
Government	25,484	7.6%	28,952	6.2%	1.2%
Health Service	36,046	10.8%	45,800	9.8%	2.2%
Hotel & Amuse.	6,067	1.8%	10,725	2.3%	5.3%
Manufacturing	40,808	12.2%	59,684	12.7%	3.5%
Other Services	19,181	5.7%	30,385	6.5%	4.3%
Retail Trade	69,639	20.8%	88,083	18.8%	2.2%
Utilities	4,997	1.5%	6,932	1.5%	3.0%
<b>Total</b>	<b>334,613</b>	<b>100.0%</b>	<b>468,724</b>	<b>100.0%</b>	<b>3.1%</b>

Source: CA Employment Development Department



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**Table 8-12. Distribution Of Employment By Sector: 1991 and 2002  
Mountain Planning Region**

Employment Sector	1991	% of Planning Area	2002	% of Planning Area	Average Annual Growth Rate
Agriculture	117	1.2%	162	1.4%	3.0%
Aerospace	0	0.0%	0	0.0%	na
Bus. Serv.	158	1.7%	294	2.5%	5.8%
Construction	768	8.1%	934	8.1%	1.8%
Distrib./Transp.	495	5.2%	556	4.8%	1.1%
Education	937	9.9%	1,237	10.7%	2.6%
Employ Agcy.	0	0.0%	0	0.0%	na
Eng. & Mgmt	111	1.2%	266	2.3%	8.3%
Fin, Ins, REst	444	4.7%	601	5.2%	2.8%
Government	437	4.6%	454	3.9%	0.3%
Health Service	440	4.7%	456	3.9%	0.3%
Hotel & Amuse.	1,758	18.6%	1,518	13.1%	-1.3%
Manufacturing	324	3.4%	211	1.8%	-3.8%
Other Services	473	5.0%	1,574	13.6%	11.6%
Retail Trade	2,567	27.2%	2,918	25.3%	1.2%
Utilities	400	4.2%	372	3.2%	-0.6%
<b>Total</b>	<b>9,428</b>	<b>100.0%</b>	<b>11,554</b>	<b>100.0%</b>	<b>1.9%</b>

Source: CA Employment Development Department

### 8.3.3.7 DESERT PLANNING REGION EMPLOYMENT BY SECTOR: 1991 AND 2002

As shown in Table 8-13, the distribution of employment by sector in the Desert Planning Region had a local serving focus rather than regional, with the two major sectors, Retail and Education, constituting about 40 percent of the total Planning Region employment. In contrast, while opportunities for Distribution and Transportation and Manufacturing activities exist, these sectors represented only about 10 percent, respectively, of similar employment Countywide. However, while small compared to overall county growth, Manufacturing did grow by almost 3,000 jobs to 6881 by 2002, or an increase of 74 percent from 1991 to 2002 in the Desert Planning Region. For confidentiality reasons, employment for several of the sectors is shown as zero and combined with other sectors.

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**Table 8-13. Distribution Of Employment By Sector: 1991 and 2002  
Desert Planning Region**

Employment Sector	1991	% of Planning Area	2002	% of Planning Area	Average Annual Growth Rate
Agriculture	666	1.1%	659	0.8%	-0.1%
Aerospace	0	0.0%	0	0.0%	na
Bus. Serv.	2,191	3.6%	3,288	4.1%	3.8%
Construction	3,555	5.8%	4,909	6.1%	3.0%
Distrib./Transp.	4,887	8.0%	5,434	6.7%	1.0%
Education	8,502	13.9%	12,813	15.9%	3.8%
Employ Agcy.	0	0.0%	0	0.0%	na
Eng. & Mgmt	654	1.1%	1,166	1.4%	5.4%
Fin, Ins, REst	3,136	5.1%	2,383	2.9%	-2.5%
Government	6,435	10.5%	6,488	8.0%	0.1%
Health Service	3,874	6.3%	6,578	8.1%	4.9%
Hotel & Amuse.	2,515	4.1%	2,673	3.3%	0.6%
Manufacturing	3,956	6.5%	6,881	8.5%	5.2%
Other Services	3,647	6.0%	6,296	7.8%	5.1%
Retail Trade	14,755	24.1%	19,068	23.6%	2.4%
Utilities	2,348	3.8%	2,177	2.7%	-0.7%
<b>Total</b>	<b>61,122</b>	<b>100.0%</b>	<b>80,813</b>	<b>100.0%</b>	<b>2.6%</b>

Source: CA Employment Development Department

## 8.3.3.8 MAJOR EMPLOYERS

As shown in Table 8-14, the major employers in the County in 2003 include colleges and hospitals. Of the top 15 establishments in the County, there are 3 colleges and 3 hospitals. This is followed by amusement, government and retail trade. Generally, the salaries in the amusement and retail categories are lower than other sectors.

## ECONOMIC DEVELOPMENT

**Table 8-14. Major County Employers**

Employer Name	Location	Industry	Address
San Manuel Bingo & Casino	Highland	Amusement	5797 N. Victoria Avenue CA 92346 Highland,
Snow Summit Mountain Resort	Big Bear Lake	Amusement	800 Summit Blvd. Big Bear Lake, CA 92315
Environmental Systems Research	Redlands	Business Services	380 New York Street Redlands, CA 92373-8100
California State University	San Bernardino	Education	5500 University Parkway San Bernardino, CA 92407
Chaffey Community College	Alta Loma	Education	5885 Haven Avenue Rancho Cucamonga, CA 91737-3002
University of Redlands	Redlands	Education	1200 East Colton Avenue P.O. Box 3080 Redlands, CA 92373-0999
County of San Bernardino	San Bernardino	Government	175 South Lena Road San Bernardino, CA 92415-0037
U.S. Post Office	San Bernardino	Government	390 W. 5th Street San Bernardino, CA 92401
Community Hospital	San Bernardino	Healthcare Services	1805 Medical Center Drive San Bernardino, CA 92411
Jerry L Pettis Memorial Vet Hosp	Loma Linda	Healthcare Services	11201 Benton Street Loma Linda, CA 92357
Loma Linda University Medical	Loma Linda	Healthcare Services	11234 Anderson Street Loma Linda, CA 92354
California Steel Industries	Fontana	Manufacturing	14000 San Bernardino Avenue Fontana, CA 92335
Hub Distributing	Ontario	Retail Trade	2501 E. Guasti Road Ontario, CA 91761
Stater Brothers Holdings Inc	Colton	Retail Trade	21700 Barton Road Colton, CA 92324
Ontario International Airport	Ontario	Transportation	Terminal Building 1, Room 200 Ontario, CA 91761

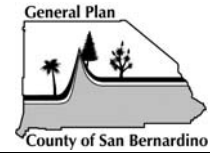
Source: San Bernardino County website.

### 8.3.3.9 SCAG EMPLOYMENT PROJECTIONS: 2000 – 2025

This section presents the “no project” projections of employment for the period from 2000 to 2025. Employment projections were prepared by the Southern California Association of Governments (SCAG) and San Bernardino Associated Governments (SANBAG). The projections used in this report are the preliminary projections for the “no project” alternative that are based on both SCAG and SANBAG input. The “no project” alternative refers to conditions if the new General Plan were not to be implemented. Major jurisdictional shifts, such as annexations and incorporations, are not

## ECONOMIC DEVELOPMENT

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assumed in these projections. The projections are presented in this section according to the following San Bernardino County Planning Regions: Valley, Mountain and Desert. Growth in each Planning Region will continue to occur as the County overall responds to the growth pressure from the eastward movement of population in the coastal counties.

The projections were provided by SANBAG for the total County and each incorporated city within the County from 2000 to 2030. They were then allocated to each economic sub-area (ESA). In order to obtain the unincorporated area projections by ESA, the incorporated cities by ESA were subtracted from the total County by ESA. The resulting unincorporated County projections by ESA were then aggregated to the County Planning Regions. The projections for the incorporated cities by ESA were then summed to arrive at the projections by County Planning Region. The projections in this section are presented from 2000 to 2025. Since SCAG did not provide projections for 2025, the projections for year were estimated by calculating the average annual growth rate from 2010 to 2030 and then applying it to the year 2025.

### *Employment Projections*

As shown in Table 8-15, employment is projected to increase by 85.4 percent at the County level from 2000 to 2025 from 530,596 to 983,698. This represents an average annual growth rate of 2.5 percent, with employment in the unincorporated area projected to grow relatively faster than in the incorporated cities. Also, this rate of employment growth for the total County is more rapid than either population or households at an annual rate of 1.6 percent each. The employment in the unincorporated areas is projected to increase from 6.8 percent to 9.3 percent of the total projected County employment by 2025. In all of the Planning Regions, employment in the unincorporated areas is projected to more than double from 2000 to 2025.

As shown in Table 8-15, the Desert Planning Region is projected to show the most rapid increase of all the Planning Regions. Employment is projected to increase by 165.1 percent from 2000 to 2025, from 77,699 to 205,943. This represents an average annual growth rate of 4.0 percent, with the employment in the incorporated cities projected to grow at about the same rate as the unincorporated area. Also, this rate of employment growth is more rapid than either population or households at the annual rate of 2.1 percent each.

The Desert Planning Region is projected to increase from a 14.6 percent share of the total County employment in 2000 to 20.9 percent of the County by 2025. However, the Valley Planning Region is projected to contain the largest portion, about 76.5 percent of the total County employment by 2025. Again, the proportion of employment in the Mountain Planning Region remains a small share of the total County.

## ECONOMIC DEVELOPMENT

**Table 8-15. Preliminary Local Input Employment Projections: 2000 to 2025**

Planning Area	Employment			Average Annual	% Increase
	2000	2010	2025	Growth Rate	2000 - 2025
<b>1 Valley</b>					
Total Cities	417,600	562,100	694,953	2.1%	66.4%
Unincorporated	23,024	47,014	57,251	<u>3.7%</u>	<u>148.7%</u>
Total Cities and Unincorp.	440,624	609,114	752,204	2.2%	70.7%
% of Total County	83.0%	79.0%	76.5%		
<b>2 Mountain</b>					
Total Cities	5,800	6,700	8,499	1.5%	46.5%
Unincorporated	6,473	14,008	17,052	<u>4.0%</u>	<u>163.4%</u>
Total Cities and Unincorp.	12,273	20,708	25,551	3.0%	108.2%
% of Total County	2.3%	2.7%	2.6%		
<b>3 Desert</b>					
Total Cities	71,165	124,800	188,993	4.0%	165.6%
Unincorporated	6,534	16,378	16,950	<u>3.9%</u>	<u>159.4%</u>
Total Cities and Unincorp.	77,699	141,178	205,943	4.0%	165.1%
% of Total County	14.6%	18.3%	20.9%		
<b>4 County</b>					
Total Cities	494,566	693,600	892,445	2.4%	80.5%
Total Unincorporated	36,030	77,400	91,253	<u>3.8%</u>	<u>153.3%</u>
<b>TOTAL</b>	<b>530,596</b>	<b>771,000</b>	<b>983,698</b>	<b>2.5%</b>	<b>85.4%</b>
Unincorp. % of Total	6.8%	10.0%	9.3%		

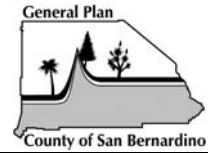
Source: Southern California Association of Governments (SCAG), No Project Projections, 2004.

### 8.3.4 INFRASTRUCTURE: CONTAINERIZED CARGO, AIR TRAVEL AND CARGO

This section discusses characteristics of the transportation infrastructure, including cargo through the ports, airports, truck and rail transport. The well-developed transportation network in the County provides locational attributes for the Planning Regions, offering unique competitive advantages. In the Appendix of the Technical Background Report, these characteristics of the transportation network are addressed for the five economic sub-areas to provide a more detailed level of analysis.

# ECONOMIC DEVELOPMENT

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The growth in containerized cargo through the Ports of Los Angeles and Long Beach has important intermodal issues for San Bernardino County. As shown in Table 8-16 and Table 8-17, sizable growth trends are projected for 2000 to 2025 that will result in:

- Containerized cargo traffic through the Ports of Los Angeles and Long Beach is projected to increase by 80.5% between 2000 and 2010 and 220% between 2000 and 2025
- Dominated by international intermodal cargo, this growth is projected to increase by a compound annual growth rate of 6.1% from 2000-2010 and 3.9% from 2010-2025

This will also have a major impact on infrastructure planning and financing for the Alameda Corridor East (ACE).<sup>1</sup> Key issues include:

- Emphasis will be on rail goods movement
- As shown in Table 8-18, average daily number of freight trains is projected to increase from 112 in 2000 to 165 in 2010 and 250 in 2025
- Track capacity shortfalls projected on rail line segments by 2010 without major improvements
- The average delay per train on the Burlington Northern Santa Fe (BNSF) line is projected to increase from 31.9 minutes in 2000 to 206.3 minutes in 2010 (utilizing the existing track with no improvements). The Union Pacific (UP) line delay is projected to increase from 30.4 minutes to 196.9 minutes.
- With recommended additional tracks and improvements, 2010 delays will be 26.1 minutes per train on the BNSF line and 27.0 minutes per train on the UP line. The delay will increase slightly by 2025 to 30.6 minutes per train for the BNSF line and decline to 23.7 minutes per train on the UP line.
- The cost of these additional tracks and rail improvements by BNSF and UP is estimated to range from \$4.5 billion to \$6.5 billion (compared to \$2.5 billion for the Alameda Corridor).

## Economic Development Implications for San Bernardino County

- The projected increases in international trade and containerized cargo will place a tremendous burden on the County's transportation network of rail lines and highways.
- The county's distribution facilities and its role as an inland port will be dependent upon an adequate response to these changes.

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<sup>1</sup> The Alameda Corridor East (ACE) project encompasses a distance of 35 miles through the San Gabriel Valley between East Los Angeles and Pomona (generally paralleling the I-10 San Bernardino Freeway and SR-60 Freeway). The ACE project serves an area of approximately 1.9 million residents and 30 municipalities. The project connects the Alameda Corridor and the Ports of Los Angeles and Long Beach to the transcontinental rail network.

## ECONOMIC DEVELOPMENT

**Table 8-16. Ports of Los Angeles and Long Beach Containerized Cargo Traffic  
(Millions of TEU)<sup>1</sup>**

Cargo Type	2000	2010	2025
<b>Loaded</b>	6.98	12.60	22.34
10-Year Increase	--	80.5%	
25-Year Increase	--		220.1%
<b>Unloaded</b>	2.50	4.52	8.00
10-Year Increase	--	80.8%	
25-Year Increase	--		220.0%
<b>Total</b>	9.48	17.12	30.34
10-Year Increase	--	80.6%	
25-Year Increase	--		220.0%

1. TEU represents Twenty Foot Equivalent Units.

**Sources:**

2000 data from Port of Los Angeles and Port of Long Beach;  
2020 forecast from AB2928 Alameda Corridor-East Trade Corridor, April 2001;  
2025 forecast extrapolates from 2020 forecasts in AB2928 study.  
Stanley R. Hoffman Associates

**Table 8-17. Cargo Forecast Summary Compound Annual Growth Rates**

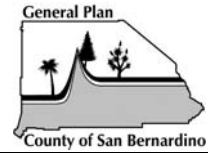
Type of Cargo Traffic	2000-2010	2010-2025
International Intermodal	6.09%	3.89%
International Non-intermodal	1.50%	1.00%
Domestic Intermodal	2.50%	1.50%

1. TEU represents Twenty Foot Equivalent Units.

**Sources:**

2000 data from Port of Los Angeles and Port of Long Beach;  
2020 forecast from AB2928 Alameda Corridor-East Trade Corridor, April 2001;  
2025 forecast extrapolates from 2020 forecasts in AB2928 study.

## ECONOMIC DEVELOPMENT



**Table 8-18. 2025 Los Angeles Inland Basin Train Forecast  
(average daily trains)**

Train Movements	2000	2010	2025
Freight	112	165	250
BNSF <sup>1</sup>	57	80	120
UP <sup>2</sup>	55	85	130
Passengers	58	100	140
BNSF <sup>1</sup>	46	75	100
UP <sup>2</sup>	12	25	40
Total-All Trains	170	265	390

1. BNSF line moving east and south from downtown Los Angeles, intersecting with the I-710 and I-605, then moving through Orange and Riverside Counties.

2. UPRR line paralleling the I-10 and SR-60, intersecting the I-15 in San Bernardino County.

**Sources:**

Orange County Gateway Study, November 1999;  
San Gabriel Valley Council of Governments Study;  
AB2928 Alameda Corridor-East Trade Corridor Study, April 2001;  
Metrolink and Amtrak.

The growth forecasts in air travel and cargo have important implications for improvements in highway and transit systems that facilitate the mobility of auto passengers and freight forwards and distributors. The SCAG Aviation Task Force issued (September 17, 2003) a memorandum that provided updated air travel forecasts, see Table 8-19. What is significant about these projections is that they represent the air passenger travel reflecting the loss of El Toro Airport from the regional air travel system. Under a variety of projection alternatives that represent various constrained and integrated transportations systems, the projected 2030 demand for the Ontario International Airport is a low of 28.8 million air passengers to a high of 30.0 million air passengers. San Bernardino International Airport (projected 2.5 to 8.7 million air passengers) and the Southern California Logistics Airport (projected 0.8 to 4.0 million air passengers) in the Adelanto area also show significant growth in demand by 2030.



## ECONOMIC DEVELOPMENT

**Table 8-19. Air Passenger Demand Allocations  
2030 Aviation Plan Variations  
(millions of air passengers)**

Aviation Plan Variation	BUR	JWA	LAX	LGB	MAR	ONT	PSP	PMD	SBD	SCI	TOTAL
Constrained	9.6	10.8	78.0	3.0	1.0	30.0	2.9	2.2	2.5	0.8	140.8
Revised Moderate	10.7	10.8	78.0	3.8	4.9	29.9	2.9	3.4	9.2	0.9	154.5
Integrated <sup>1</sup>	10.7	10.8	78.0	3.8	8.0	30.0	3.2	12.8	8.7	4.0	170.0
Integrated w/o Maglev <sup>2</sup>	10.7	10.8	78.0	3.8	5.0	28.8	3.2	7.2	5.7	1.8	155.0

1. The integration of the regional airport master plans assumes Maglev (Magnetic levitation) transportation.

2. Integrated Variation without Maglev results in reduced capacity.

Source: SCAG Aviation Task Force Memorandum, Michael Armstrong, September 17, 2003.

The SCAG Aviation Task Force memorandum also presented forecasts to 2030 for air cargo as shown in Table 8-20. Again, the Ontario International Airport shows sizable air cargo ranging from 2,188 to 2,605 thousands of tons annually by 2030. This is 80 to 90 percent of the level of air cargo forecasted for the largest airport in the system, the Los Angeles International Airport. While somewhat smaller, still significant are the levels of air cargo projected for the San Bernardino International Airport (821 to 1,114 thousands of tons) and the Southern California Logistics Airport (projected 283 to 504 thousands of tons).

**Table 8-20. Air Cargo Demand Allocations  
2030 Aviation Plan Variations  
(thousands of tons of air cargo)**

Aviation Plan Variation	BUR	JWA	LAX	LGB	MAR	ONT	PSP	PMD	SBD	SCI	TOTAL
Constrained	83	43	3,286	123	825	2,605	146	143	821	283	8,358
Revised Moderate	84	43	3,210	133	1,053	2,272	125	145	1,114	361	8,540
Integrated <sup>1</sup>	87	43	2,340	137	1,117	2,252	128	1,024	1,092	504	8,724
Integrated w/o Maglev <sup>2</sup>	87	43	2,379	137	1,104	2,188	128	866	1,050	476	8,458

1. The integration of the regional airport master plans assumes Maglev (Magnetic levitation) transportation.

2. Integrated Variation without Maglev results in reduced capacity.

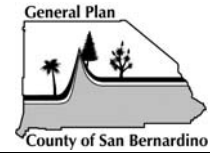
Source: SCAG Aviation Task Force Memorandum, Michael Armstrong, September 17, 2003.

### 8.3.5 RESIDENTIAL REAL ESTATE

This section discusses characteristics of the residential real estate market, including housing sales and prices, housing stock and housing tenure. In the Appendix of the Technical Background Report,

# ECONOMIC DEVELOPMENT

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residential real estate trends are addressed for the five economic sub-areas to provide a more detailed level of analysis.

## 8.3.5.1 RESIDENTIAL REAL ESTATE TRENDS

### *Housing Sales Volume of Built Units*

As shown in Figure 8-7, from 1988 to 2003, the number of existing single-family home sales rose from 23,291 annually to 32,480 annually, by 9,189 units. Sales activity fluctuated over this time period, with marked decreases during the recession years of the early nineties. However, existing home sales have steadily increased in the County since 1995. Among the County's three Planning Regions, the Valley Planning Region experienced the largest absolute sales growth, at 6,376 existing units from 1988 to 2003.

Figure 8-8 shows trends for new home sales from 1988 to 2003. As shown, the annual number of new single-family home sales started at about 5,576 homes and ended about the same, with marked decreases during the recession years of the early to mid nineties. The Desert Planning Region was the only planning region that experienced an increase in average annual new home sales during this time period, increasing from 698 to 1,824 units annually.

As shown in Table 8-21, from 1988 to 1999 total home sales - was estimated at 314,613 units. Most of these sales were for existing units. Within the County, the largest share of total home sales was in the Valley Planning Region, at about 67.8 percent of the total home sales volume. These patterns are also true for the most recent time period of 2000 to 2003, where the largest share of home sales was in the Valley Planning Region, at 66.6 percent of the total home sales. During this time period, the sales volume of existing homes also exceeded that of new homes.

### *Housing Sales Prices*

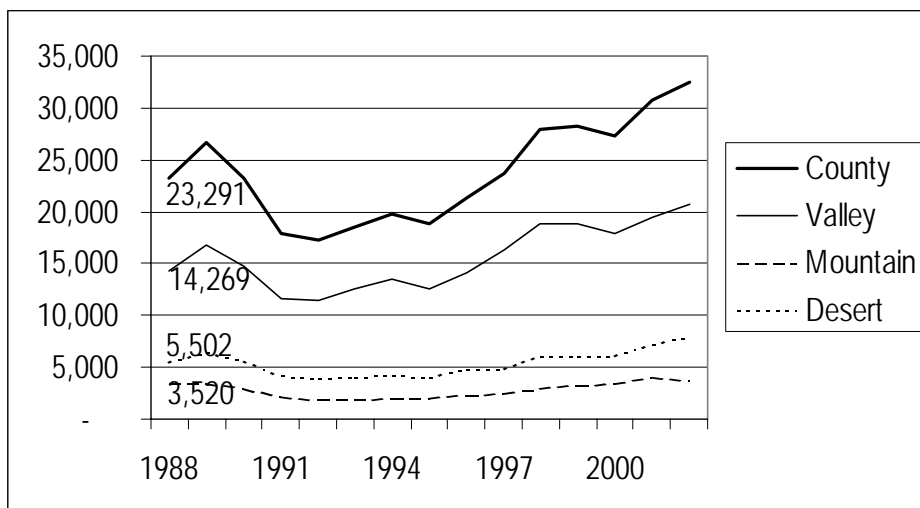
As shown in Figure 8-9, from 1988 to 2003 the average sales price of existing single-family home sales grew at an average annual rate of 4.6 percent in the County, from \$96,033 in 1988 to \$196,412 in 2003. As shown, the average sales price of existing single-family home fluctuated over this time period, with marked decreases during the recession years of the early to mid nineties. However, the average price has steadily increased in the County since about 1997. These trends are reflected in the County's three Planning Regions. In 2003, the Valley Planning Region had the highest average price of all three planning regions, at \$226,926.

Figure 8-10 shows trends for new home sale prices from 1988 to 2003. The average sales price of new single-family home sales grew at an average annual rate of 5.1 percent in the County, from \$121,107 in 1988 to \$269,203 in 2003. As shown, the sales price of new homes did not fluctuate as much as existing homes over this time period, with the average price steadily increasing since about 1993. These trends are reflected in the Desert and Valley Planning Regions as well. Prices in the Mountain Planning Region fluctuated much more over this time period. However, this fluctuation may be due to the small sample size of new home sales relative to the other planning regions. In

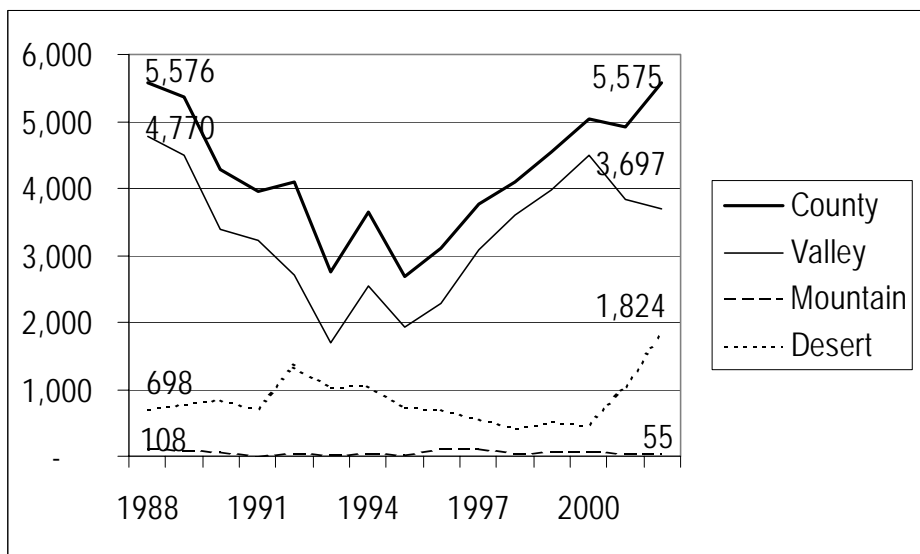
## ECONOMIC DEVELOPMENT

2003, the Valley Planning Region had the highest average price of all three planning regions, at \$320,378.

**Figure 8-7. Existing Home Sales, Annual 1988 to 2003**

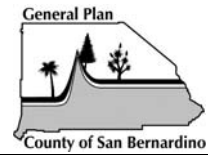


**Figure 8-8. New Home Sales, Annual 1988 to 2003**



Source: Dataquick

# ECONOMIC DEVELOPMENT

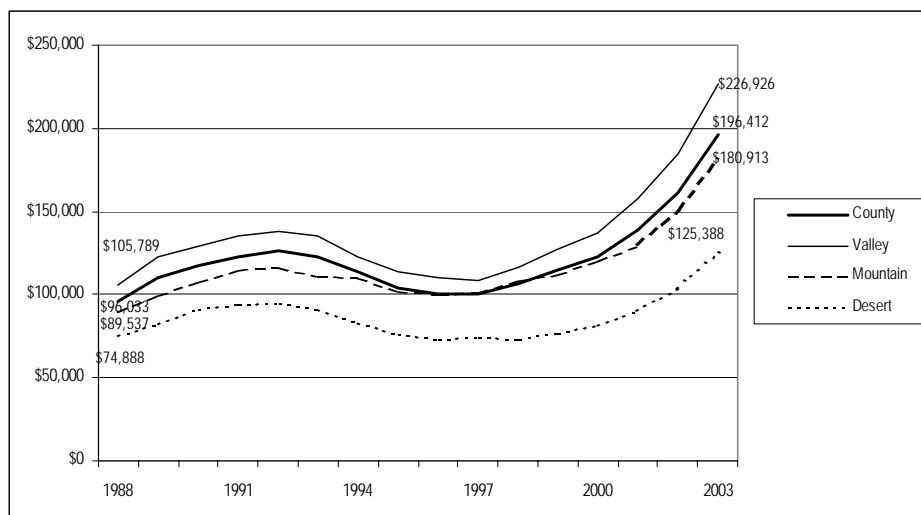


**Table 8-21. Distribution Of Home Sales By Planning Region, 1988 To 2003**

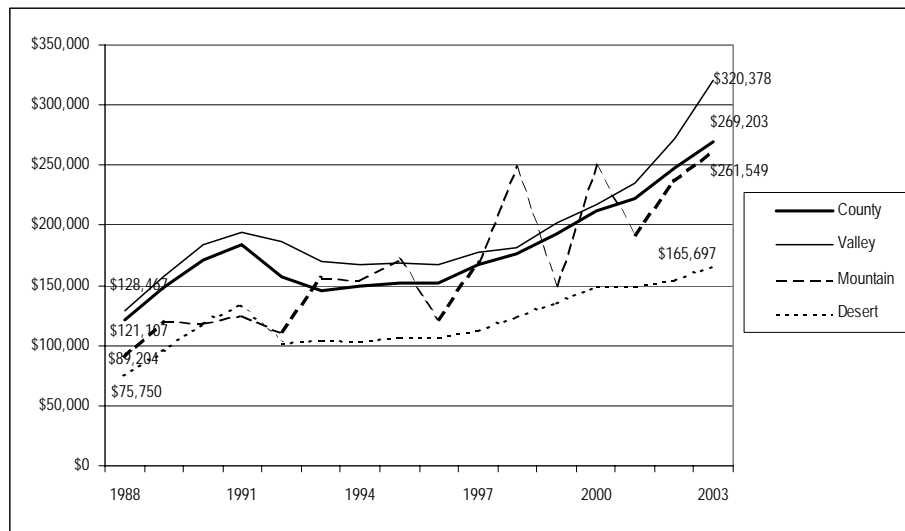
	Valley	Mountain	Desert	County
<b>1988-1999</b>				
Existing Home Sales	175,516	31,149	60,115	266,780
New Home Sales	<u>37,694</u>	<u>740</u>	<u>9,399</u>	<u>47,833</u>
Total	213,210	31,889	69,514	314,613
% of County Total	67.8%	10.1%	22.1%	100.0%
<b>2000-2003</b>				
Existing Home Sales	76,288	14,660	27,415	118,363
New Home Sales	<u>15,880</u>	<u>227</u>	<u>3,977</u>	<u>20,083</u>
Total	92,168	14,887	31,392	138,446
% of County Total	66.6%	10.8%	22.7%	100.0%

Source: Dataquick

**Figure 8-9. Existing Home Sales Prices, Annual 1988 to 2003**



**Figure 8-10. New Home Sales Prices, Annual 1988 to 2003**



Source: Dataquick

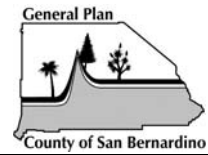
## ***Housing Stock Distribution***

As shown in Table 8-22, in 2000 the County was comprised mostly of detached single-family units at 69.2 percent of the total housing units. This was also true for the planning regions, where single-family detached units comprised from 65.8 percent (Valley) to 91.7 percent (Mountain) of the total units. The Valley Planning Region had the largest share of multi-family units (23.4 percent) of all of the planning regions. The Valley Planning Region had the largest share of the County's total housing units, at 67.3 percent of the total units. The Mountain Planning Region had the smallest share (8.3 percent) of the total units.

## ***Tenure***

As shown in Figure 8-11, most of the County's housing units are occupied by owners, at 64.5 percent of the total units. The Mountain Planning Region had the largest number of owner-occupied units, at 73.1 percent of the planning region's total units. The Valley and Desert Planning Regions are similar to the County in their tenure status for 2002.

# ECONOMIC DEVELOPMENT



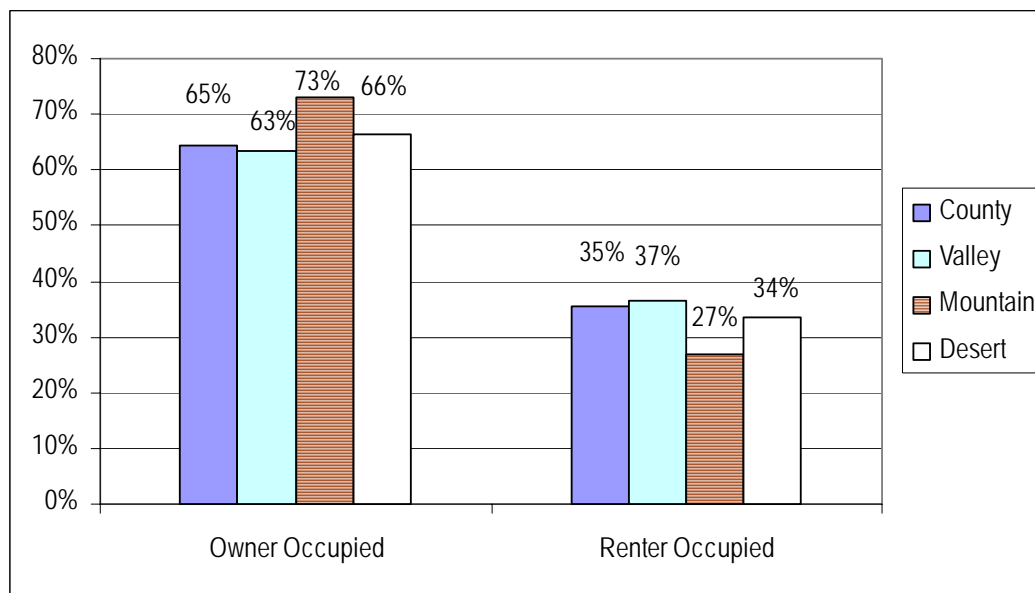
**Table 8-22. Distribution of Housing units by Type: 2000**

Planning Area	Single Family		Multi Family	Mobile Homes/Other <sup>1</sup>	Total	% of Total County
	Detached	Attached				
<b>Valley</b>	266,628	20,142	94,853	23,285	404,908	67.3%
% of Total	65.8%	5.0%	23.4%	5.8%	100.0%	
<b>Mountain</b>	45,733	1,355	1,514	1,244	49,846	8.3%
% of Total	91.7%	2.7%	3.0%	2.5%	100.0%	
<b>Desert</b>	103,760	5,336	20,214	17,305	146,615	24.4%
% of Total	70.8%	3.6%	13.8%	11.8%	100.0%	
<b>County Total</b>	<b>416,121</b>	<b>26,833</b>	<b>116,581</b>	<b>41,834</b>	<b>601,369</b>	<b>100.0%</b>
% of Total	69.2%	4.5%	19.4%	7.0%	100.0%	

1. Other includes trailers, boats, RVs and vans. The decrease in this category is attributable to reclassification of mobile homes to single-family homes in 2000.

Source: U.S. Census Data, 2000.

**Figure 8-11. Tenure: 2000**



Source: U.S. Census Data, 2000.

### 8.3.6 PUBLIC REVENUES AND EXPENDITURES

Maintaining growth among key public revenue sources will be important to providing a high quality of public services and facilities to the County's population and businesses. The County budget consists of the general fund, special revenue funds, capital projects funds and enterprise funds. These funds are allocated for the costs of countywide operations, capital projects and other debt service.

#### 8.3.6.1 SUMMARY OF FUNDING SOURCES

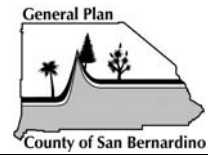
The 2003-04 County budget is financed from a variety of sources, which are shown in Table 8-23. As shown, the total budget is estimated at about \$2.38 billion and is comprised mostly of County funds, with some source of revenues provided by enterprise funds. The enterprise funds include primarily the Arrowhead Regional Medical Center and Solid Waste Management, as well as several others. State and Federal Aid program revenues comprise the largest share of the total budget (56.3 percent). These include state and federal support for programs such as welfare, health care, child support and behavioral health.

The County Administrative Office has the responsibility of developing the County financing plan for all general fund departments. County General Fund operations are financed with two major types of funding: (1) departmental program revenues; and (2) countywide discretionary revenues, reserves and fund balance. Departmental program revenues include fees, service charges and state and federal aid programs. The balance of departmental costs not funded by these departmental revenue sources is considered local cost. Local cost is funded by countywide discretionary revenues including property tax, sales tax, motor vehicle license fees and other financing sources. Table 8-24 shows the variety of discretionary funding sources for local cost. As shown, the revenues in the 2003-04 budget are about \$440.08 million. As shown, this revenue is comprised mostly of property taxes (31.2 percent), followed by motor vehicle license fees (28.4 percent).

#### 8.3.6.2 SUMMARY OF EXPENDITURES

Table 8-25 shows the variety of sources for local costs, estimated in the 2003-04 budget at about \$440.08 million. The local costs are estimated at the same amount as local revenues, as indicated above. As shown, the largest portion of these local costs are attributed to the Law and Justice department (44.5 percent) followed by the category of Allocated Costs (19.9 percent). The Law and Justice department includes the Courts, Probation Services and Sheriff as well as Law and Justice administration. The category of Allocated Costs includes contingencies, reserve contributions and operating transfers out. Human Services includes public health and other social services; Administrative/Executive includes legislative and County administration costs; Internal Services includes facilities management and purchasing; Fiscal includes the Assessor, Auditor-Controller and Treasurer-Tax Collector; and Economic Development includes airports, land use services and public works functions.

# ECONOMIC DEVELOPMENT



**Table 8-23. County Revenue Summary: Final Budget 2003-04**

County Fund Revenues	2003-04	% of Total
<b>All County Funds</b>		
State and Federal Aid	\$1,342,417,579	56.3%
Charges for Current Services	317,349,319	13.3%
Other Taxes	141,340,847	5.9%
Property Taxes	136,148,669	5.7%
Other Revenues	108,559,481	4.6%
Subtotal	\$2,045,815,895	85.9%
<b>Enterprise Funds</b>	\$336,892,640	14.1%
<b>Total</b>	<b>\$2,382,708,535</b>	<b>100.0%</b>

Source: San Bernardino County, Final Budget 2003-04

**Table 8-24. Revenue Summary for Local Cost Financing: Final Budget 2003-04**

	2003-04	% of Total
<b>Discretionary Revenues</b>		
Property Taxes	\$137,292,364	31.2%
Motor Vehicle License Fees	124,974,967	28.4%
COWCAP (Countywide Cost Allocation Projection) Revenue	20,847,838	4.7%
Sales taxes	16,518,694	3.8%
Other Taxes	14,910,372	3.4%
Net Interest Earnings	14,600,000	3.3%
Property Tax Admin. Revenue	9,395,173	2.1%
Booking Fee Revenue	3,937,000	0.9%
Other State and Federal Aid	3,329,275	0.8%
Other Revenues	2,430,000	0.6%
Subtotal	\$348,235,683	79.1%
<b>Other Financing<sup>1</sup></b>	\$91,847,827	20.9%
<b>Total</b>	<b>\$440,083,510</b>	<b>100.0%</b>

1. Includes fund balances, reserves and operating transfers.

Source: San Bernardino County, Final Budget 2003-04



## ECONOMIC DEVELOPMENT

**Table 8-25. Expenditures Summary For Local Cost Financing: Final Budget 2003-04**

Category	Appropriation	Revenue	Local Cost	% of Total Local Cost
<b>Department</b>				
Law and Justice	450,870,081	255,211,113	195,658,968	44.5%
Human Services System	1,143,999,042	1,089,590,705	54,408,337	12.4%
Administrative/ Executive	\$62,278,174	\$11,728,927	\$50,549,247	11.5%
Internal Services	32,300,857	7,525,938	24,774,919	5.6%
Fiscal	38,240,919	23,143,050	15,097,869	3.4%
Econ Develop/ Public Services	43,638,543	31,418,728	12,219,815	2.8%
Subtotal	\$1,771,327,616	\$1,418,618,461	\$352,709,155	80.1%
<b>Allocated Costs</b>	\$87,374,355	\$0	\$87,374,355	19.9%
<b>Grand Total</b>	<b>\$1,858,701,971</b>	<b>\$1,418,618,461</b>	<b>\$440,083,510</b>	<b>100.0%</b>

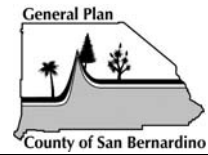
Source: San Bernardino County, Final Budget 2003-04

### 8.3.6.3 REDEVELOPMENT AGENCY FUNDING SOURCES

The Redevelopment Agency of the County of San Bernardino was established in 1980. Although no project areas were established at that time, interest in a proposal to build a speedway on a portion of the site once occupied by the Kaiser Steel Plant near Fontana stimulated new interest in redevelopment. As a result of that interest, in 1995 the entire former Kaiser site and other blighted industrial property in its vicinity were incorporated into a project called the San Sevaine Redevelopment Project. In 1993 the Victor Valley Redevelopment Project was established for the purpose of providing economic development to the former George Air Force Base. The project is under the direction of the Victor Valley Economic Development authority (VVEDA) and is administered by the City of Victorville. The County receives a portion of the tax increment generated within the unincorporated area of the project, which is accounted for in two new budget units created for 2003-04.

As shown in Table 8-26, the County Redevelopment Agency (RDA) has an estimated fund balance of \$18.5 million, after appropriations, for fiscal year 2003-04. The largest portion of the fund balance is the RDA Capital Fund, at 38.6 percent of the total fund balance, followed by the Operating Fund, at 29.6 percent of the total. The capital projects fund was established to provide separate accountability for infrastructure improvements financed from tax allocation bond proceeds.

## ECONOMIC DEVELOPMENT



**Table 8-26. Total Budget Units: Redevelopment Agency, 2003-04**

	Appropriation	Revenue	Fund Balance	% of Total Balance
RDA Capital Fund	\$7,236,136	\$73,350	\$7,162,786	38.6%
Operating Fund	7,071,747	1,586,200	5,485,547	29.6%
Housing Fund	4,562,661	632,900	3,929,761	21.2%
Debt Service Fund	4,638,620	3,664,296	974,324	5.3%
Victor Valley EDA	704,983	174,415	530,568	2.9%
RDA Housing Project	252,570	4,350	248,220	1.3%
Victor Valley EDA Housing	253,541	43,604	209,937	1.1%
<b>Total</b>	<b>\$24,720,258</b>	<b>\$6,179,115</b>	<b>\$18,541,143</b>	<b>100.0%</b>

Source: San Bernardino County Redevelopment Budget, 2003-04.

### 8.3.6.4 TAXABLE SALES

This section discusses taxable sales trends, total retail and per capita retail taxable sales. In the Appendix of the Technical Background Report, taxable sales trends are addressed for the five economic sub-areas to provide a more detailed level of analysis.

#### ***Total taxable sales trends: 1991-92 to 2002-03***

Taxable sales trends from fiscal years 1991-92 to 2002-03 for the County and Planning Regions are presented in Table 8-27. As shown, total taxable sales for the County have increased at an average annual rate of 5.8 percent since 1991-92. Taxable non-retail sales have increased faster over this time period than taxable retail sales, at an average annual growth rate of 7.3 percent compared to retail sales at 5.6 percent. In 2002-03, retail taxable sales comprised slightly less of the total taxable sales (82.2 percent) than they did in 1991-92 (84.7 percent). This trend is due to the County's growing job centers, reflective of the strong growth eastward in the Inland Empire.

These trends are also true in the Planning Regions, particularly in the Desert Planning Region where non-retail sales increased by 10.3 percent compared to retail at 4.7 percent. The Mountain Planning Region had the highest proportion of retail sales to total taxable sales at 94.8 percent of the total in 2002-03. This is likely due to the larger retail base relative to industry in that Planning Region.

#### ***Per Capita Taxable Retail Sales***

Per Capita taxable retail sales are a rough indicator of the strength of an area's purchasing power. As shown in Table 8-28, per capita taxable retail sales in the County were about \$8,674 in 2002-03. The Valley Planning Region had the highest total per capita taxable retail sales, at \$9,242. This is reflective of the strong regional retail centers in this Planning Region. However, in the unincorporated areas of the County and Planning Regions, per capita taxable retail sales were much less than the total area. The greatest disparity between the total area and unincorporated area was in the Mountain Planning Region. This disparity may be due to the concentration of retail in the

## ECONOMIC DEVELOPMENT

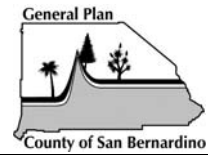
incorporated areas versus the unincorporated areas of the County. The total County and Planning Regions experienced slight increases in per capita retail sales from 1991-92 to 2002-03.

**Table 8-27. Total Taxable Sales Trends: 1991-92 to 2002-03**

Planning Area	Fiscal Year		Average Annual Growth Rate	Retail% of Total	
	1991-92	2002-03		1991-92	2002-03
<b>Valley</b>					
Retail	\$6,692,840	\$12,462,920	5.8%		
Non-Retail	<u>1,420,681</u>	<u>2,997,731</u>	<u>7.0%</u>		
<b>Total</b>	<b>\$8,113,521</b>	<b>\$15,460,651</b>	<b>6.0%</b>	<b>82.5%</b>	<b>80.6%</b>
<b>Mountain</b>					
Retail	\$219,662	\$311,317	3.2%		
Non-Retail	<u>10,852</u>	<u>17,059</u>	<u>4.2%</u>		
<b>Total</b>	<b>\$230,515</b>	<b>\$328,376</b>	<b>3.3%</b>	<b>95.3%</b>	<b>94.8%</b>
<b>Desert</b>					
Retail	\$1,650,803	\$2,739,197	4.7%		
Non-Retail	<u>120,375</u>	<u>352,628</u>	<u>10.3%</u>		
<b>Total</b>	<b>\$1,771,178</b>	<b>\$3,091,825</b>	<b>5.2%</b>	<b>93.2%</b>	<b>88.6%</b>
<b>County</b>					
Retail	\$8,563,306	\$15,513,434	5.6%		
Non-Retail	<u>1,551,908</u>	<u>3,367,417</u>	<u>7.3%</u>		
<b>Total</b>	<b>\$10,115,213</b>	<b>\$18,880,851</b>	<b>5.8%</b>	<b>84.7%</b>	<b>82.2%</b>

Source: Hinderliter, de Llamas and Associates.

# ECONOMIC DEVELOPMENT



**Table 8-28. Per Capita Taxable Retail Sales: 1991-92 to 2002-03**

Planning Area	1991-92	2002-03	Average Annual Growth Rate
<b>Valley</b>			
Incorporated	\$7,070	\$9,807	3.0%
Unincorporated	1,817	4,514	8.6%
<b>Total</b>	<b>\$6,297</b>	<b>\$9,242</b>	<b>3.5%</b>
<b>Mountain</b>			
Incorporated	\$17,215	\$27,062	4.2%
Unincorporated	3,237	4,089	2.1%
<b>Total</b>	<b>\$4,909</b>	<b>\$7,090</b>	<b>3.4%</b>
<b>Desert</b>			
Incorporated	\$7,886	\$8,716	0.9%
Unincorporated	1,567	2,187	3.1%
<b>Total</b>	<b>\$5,312</b>	<b>\$6,916</b>	<b>2.4%</b>
<b>County</b>			
Incorporated	\$7,257	\$9,664	2.6%
Unincorporated	1,893	3,586	6.0%
<b>Total</b>	<b>\$6,037</b>	<b>\$8,674</b>	<b>3.3%</b>

Source: Hinderliter, de Llamas and Associates.

## *Per Capita Taxable Retail Sales by Category*

As shown in Table 8-29 and Figure 8-12, the total County had the strongest per capita retail sales in general consumer goods, at \$2,664, followed by autos and transportation at \$2,338, and building and construction at \$1,133. As shown, except for building and construction, per capita retail sales are far stronger overall in the County than in the unincorporated area. This strength is likely due to the concentration of building and construction materials outlets in the unincorporated area since cities are not as welcoming of this use. There are also several quarries and mining operations in the unincorporated area, which result in increased construction related sales.

## ECONOMIC DEVELOPMENT

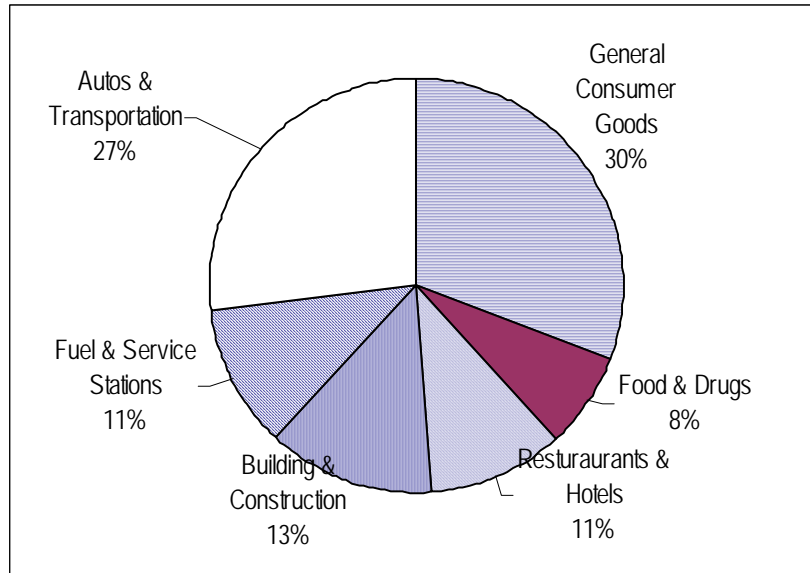
**Table 8-29. Taxable Retail Sales by Category: 2002-03**

Sales Categories	Taxable Retail Sales ('000s)		Per Capita Taxable Retail Sales	
	Total	Unincorporated	Total	Unincorporated
General Consumer Goods	\$4,764,545	\$104,980	\$2,664	\$360
Food & Drugs	1,196,925	120,037	669	412
Restaurants & Hotels	1,642,914	108,699	919	373
Building & Construction	2,026,680	276,350	1,133	949
Fuel & Service Stations	1,700,305	164,110	951	563
Autos & Transportation	4,182,066	270,375	2,338	928
<b>Total Retail</b>	<b>\$15,513,434</b>	<b>\$1,044,551</b>	<b>\$8,674</b>	<b>\$3,586</b>

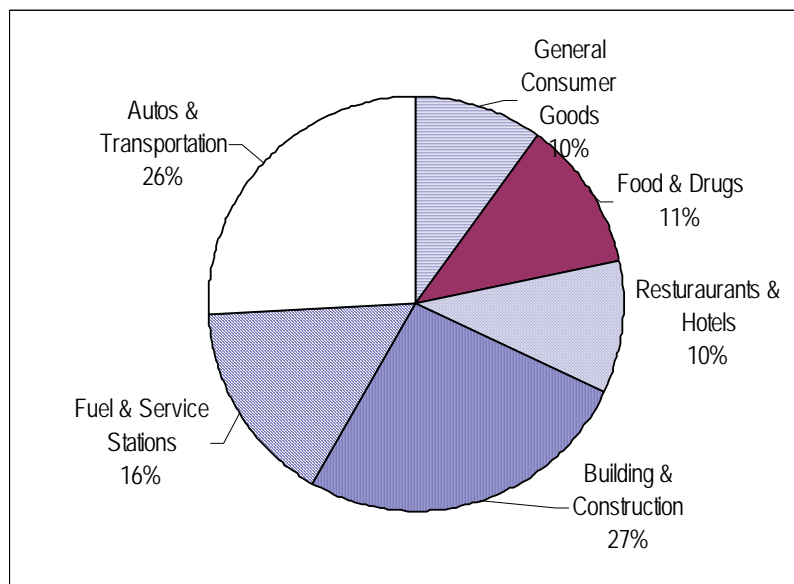
Source: Hinderliter, de Llamas and Associates.

# ECONOMIC DEVELOPMENT

**Figure 8-12. Distribution of Taxable Retail Sales Per Capita: 2002-03**  
**Total County**



## Unincorporated Area



### 8.3.7 ECONOMIC DEVELOPMENT

San Bernardino County's economic development programs and activities have been centralized under the Economic Development Sub-Group of the Economic Development /Public Services Group (EDPSG). In the interest of focusing County resources on economic development activities throughout the County the following four (4) Departments have been organized under an AAO: Department of Economic and Community Development (ECD), Jobs and Employment Services Department (JESD), Land Use Services (LUS) and Redevelopment Agency (RDA). The Economic Development Sub-Group of ED/PSG provides comprehensive services and a variety of programs to attract new industry to the County while retaining existing businesses, with the ultimate objective of maximizing employment opportunities and increasing capital investment in the area. Many of the programs and services coordinate public and private resources. The Economic Development Sub-Group is also responsible for marketing the County's unique resources, working closely with citizens, economic development organizations, advisory groups, businesses, cities and developers in the areas of marketing, site selection, permit processing, job training, small business financing, redevelopment programs and providing demographic and statistical information.

#### 8.3.7.1 KEY ECONOMIC DEVELOPMENT PROGRAMS

The Economic Development Sub-Group offers a variety of incentives and financing programs, technical assistance and financing programs to businesses. These include federal, state and countywide programs. The following include the key economic programs provided listed under the Department responsible for the activity:

##### Department of Economic and Community Development (ECD)

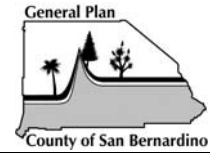
##### ***County Business Financing Incentives***

County financing incentives include a broad range of eligible projects that require financing from \$5,000 up to \$200 million. These include:

- Microloan program – provides loan guarantees to micro-enterprises with 5 or fewer employees expanding their enterprises within the County. Amount available ranges from \$5,000 to \$25,000.
- Small Business Enhancement Loan Program (SBEL) -provides loan guarantees to small businesses expanding their enterprises within the County. Amount available ranges from \$25,000 to \$50,000.
- Business Expansion Loan Program (BusEx) – provides direct financing for businesses interested in expanding or relocating in San Bernardino County. Amount available ranges from \$50,000 to \$500,000.
- SBA 7A-Grow America Fund Program – provides loans to small businesses with 100 percent financing ranging from \$50,000 to \$1.0 million.

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- SBA 504 Loan Program – provides assistance to successful, established, growth-oriented companies or new firms in second mortgage financing.
- County Float Loan Program – provides interim financing for businesses and developers, providing a bridge loan for equity, or allowing a business to becoming established.
- Equipment Bond Program –provides manufacturers and processors with tax-exempt bond financing for new capital equipment purchases for manufacturing, processing solid waste, recycling and energy related projects. Amounts available range from \$250,000 to \$10.0 million.
- Industrial Development Bond Financing - provides manufacturers and processors with below-market financing at tax-exempt interest rates.
- Taxable Industrial Development Bond Program – provides businesses and developers direct access to long-term, competitive financing at below-market interest rates for projects costing \$5.0 million to \$200.0 million.

## ***The Emerging Small Business Enterprise Program***

This program gives Emerging Small Business Enterprises (ESBEs) maximum access to contract opportunities that include purchasing of goods and services. This is to assist emerging small business enterprises in facing economic challenges, as inflation and recessions restrict business opportunities in the public sector. The public sector is considered a significant source of opportunities for these businesses.

## ***The Disadvantaged Business Enterprise Program***

The Disadvantaged Business Enterprise (DBE) Program applies to specific federal funded projects. As with the Emerging Small Business Program, the Economic Development Sub-Group maintains a business directory of qualified DBEs and the applicable projects and procurement opportunities throughout the County of San Bernardino. This program is designed to increase the number of disadvantaged businesses participating in County construction contracts.

## ***Agua Mansa Enterprise Zones***

The State-designated Agua Mansa Enterprise Zone is located at the center of one of Southern California's transportation hubs- served by Interstate 10 and 215, as well as the 91 and 60 freeways. The Zone is also located near three international airports, class-1 railroads, major trucking terminals and within close proximity to the ports of Long Beach and Los Angeles. The Agua Mansa Enterprise Zone offers State tax credits and various local government incentives to businesses that are expanding or relocating.

## ***Recycling Market Development Zones***

State designated Recycling Market Development Zones strive to attract businesses using post-consumer recoverable materials in their manufacturing process. The State has established a low-



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interest rate revolving-loan fund that may be used for land acquisition, construction, equipment purchases, and working capital for up to 50 percent of the project cost to a maximum of \$1 million.

### ***Motion Picture Industry Permitting***

The County of San Bernardino encourages the production of motion pictures, television series and specials, commercials and still photography within its boundaries. San Bernardino County's Board of Supervisors adopted an ordinance in December 1997 relating to film permits and fees to regulate commercial filming in the County and to provide a centralized permit processing office for the issuance of film permits and for the encouragement of motion pictures, television, commercials, and still commercial photography within the unincorporated areas of the County. The Inland Empire Film Commission (IEFC) represents the County of San Bernardino in coordinating film permits. The IEFC provides a convenient center for the issuance of permits and to expedite the permit process where possible.

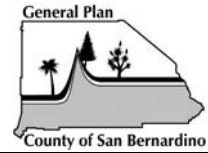
### ***Partnerships for Economic Development***

The County is involved in several partnerships with various agencies, private businesses and educational institutions that promote economic development throughout the region. These include:

- Inland Empire Economic Partnership (IEEP)
- California Manufacturing Technology Center
- Inland Empire Small Business Development Center (SBDC)
- Community University Partnership
- Entrepreneurship Workshops
- Venture Capital Development
- U.S. Small Business Administration (SBA)
- Service Corps of Retired Executives (SCORE)
- Realty Investment Association of California (RIAOC)
- National Association of Industrial and Office Property (NAIOP)
- High Desert Opportunity
- Recycling Marketing Development Zone (RMDZ)
- California Association of Local Economic Development
- Southern California Edison
- Alliance for Education
- International Council of Shopping Centers (ICSC)
- Distribution Management Association (DMA)
- Bear Valley Economic Partnership

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- Economic Council of Pass Area Communities (ECOPAC)
- Inland Valley Development Agency (IVDA)
- Victor Valley Economic Development Authority
- Morongo Basin Regional Economic Development Consortium (MBREDC)
- Southwest Defense Alliance
- Lucerne Valley Economic Development Association (LVEDA)
- Barstow Association Governments
- Twenty-seven (27) Chambers of Commerce
- Attraction & Site Location Services
- Business Financing & Revolving Loan Program
- International Trade Assistance
- Liaison Services
- Small Business Energy Efficiency Program

## **Jobs and Employment Services Department (JESD)**

The Jobs and Employment Services Department (JESD) provides services under the Workforce Investment Act at the direction of the Workforce Investment Board (WIB), which is comprised of volunteers from the business community, educational institutions, and public service professions. Customers served include job seekers and the businesses that employ them.

JESD operates Employment Resource Centers, which provide the following services to the job seeking public:

- Provide job leads, career assessments, job search resources, individual employment counseling, staff-assisted placement services, career planning, and referrals to partner agencies
- Conduct workshops to enhance job-seeking skills
- Maintain resource rooms where job seekers have access to computer workstations, job announcements, local daily newspapers, Fax/mail service, telephones, copy service, and information on other community resources

JESD also operates Business Resource Centers, which provide the following services to businesses:

- Access to co-located agencies who serve businesses
- Business resource libraries containing the latest business publications
- Computer workstations with high-speed Internet access, business development software, market research software, on-line demographic information and other research tools
- Workshops covering important issues facing the business community

- U.S. Small Business loan pre-qualification assistance
- Assistance with hiring and training employees
- Business start-up assistance
- Provide conference and training facilities

JESD, in collaboration with the WIB, seeks other funding sources appropriate to facilitating its mission of building a workforce that is conducive to economic growth.

### **Land Use Services Department (LUSD)**

The Land Use Services Department provides demographic research services to companies and County agencies that are attempting to locate or expand businesses in the County. Utilizing ESRI's Business Analyst and ARCGIS mapping software, the Demographic Research Unit provides both tabular census and business data as well as computer generated maps to help with locational analysis.

Land Use Services has provided these types of products to Employer Services staff at JESD who were helping business identify where their customer base was located or to expand to other locations in the County. This program has been very useful to help keep businesses in the County and keep the jobs in the local area.

### **Redevelopment Agency (RDA)**

The County of San Bernardino Redevelopment Agency operates under the provisions of the California Community Redevelopment Law (CRL), Health & Safety Code Section 33000 et seq, to eliminate conditions of physical and economic blight, to promote economic development, and to assist in the conservation and addition of affordable housing units within designated redevelopment project areas. At the end of 2004, the RDA had two redevelopment project areas that were under the sole jurisdiction of the County RDA (San Sevaine and Cedar Glen); a joint redevelopment project with the City of Montclair (Mission Boulevard Joint Project); and a project area operated as a joint powers authority (Victor Valley Economic Development Authority).

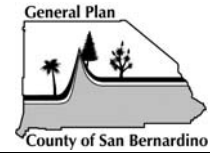
A redevelopment agency possesses the authorities of a local government entity and the additional authority to acquire property for private benefit. The primary revenues for the RDA are derived from tax increment allocations - the property tax assessed on the increased values of property within the project area. The RDA pledges its tax increment allocation for the retirement of indebtedness.

In the initial years of the project area, the RDA expends most funds for the construction of infrastructure improvements necessary to eliminate blighted conditions and permit new economic development in the project area. As the area matures, the RDA is able to provide direct assistance to private entities for economic development purposes. The assistance can take the form of:

- Land Acquisition and assemblage

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- Development Loans
- Development Grants
- Loan guarantees

In general, the RDA's assistance is limited to that portion of a project's cost that exceeds the businesses ability to fund in the private market.

In addition, the RDA is required to set aside 20% of the gross tax increment that it receives for the specific purpose of conserving existing and increasing the amount of low- and moderate-income housing in the redevelopment project area, or in areas that would benefit the project area. All affordable housing that receives financial assistance from the RDA must contain covenants and restrictions that the units will remain affordable for low- and moderate-income households for up to 55 years. The RDA can provide assistance in any form that is lawfully available to a local government entity, with the additional ability to acquire land to be used by private developers. At this time the RDA has no specific housing assistance programs in place.

## 8.3.7.2 ECONOMIC DEVELOPMENT EFFORTS

The following include the major ongoing economic development efforts by the County since 2002. These efforts encompass a variety of activities that provide business assistance and attraction programs, and promote infrastructure development:

- Increase employment through business expansion
- Focus on business retention
- Support partnerships with educational institutions
- Encourage college and university community involvement in private sector technology
- Support the development of high-speed communications infrastructure
- Developed and implemented an efficient program for recruiting technology firms
- Maintain the status of the Agua Mansa Enterprise Zone
- Assist in the development of economic development growth centers at the two closed military bases in the valley and high desert area

## 8.4 LOCATIONAL CHARACTERISTICS

There is a three-stage pattern of development that has historically impacted areas as they have become caught up in the economic dynamics of urban Southern California. In this three-stage process, a previously outlying region becomes part of Southern California's giant urban economy.

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Understanding these stages, including the causes and effects, can help the County direct future economic growth by adopting economic development goals, policies and program that take advantage of each stages attributes and dynamics. These stages include:

- In Stage #1, people migrate to different sub-markets of the County where large tracts of residential land make it possible to develop and offer housing at prices well below those in Southern California's more densely urbanized areas. The new area gradually becomes home to employment in population-serving sectors like retailing, education, health or consumer services. This allows some reduction in commuting to jobs located elsewhere.
- In Stage #2, there is a flow of blue collar and back office service firms to the new area to take advantage of its undeveloped industrial space. This vacant land allows large facilities to be leased for less than elsewhere in Southern California. In addition, the new area's labor supply is willing to work for less to avoid long commutes. Also, a large share of the new area's labor force have blue collar or entry level white collar skill sets.
- In Stage #3, maturity occurs in the new area as rising residential prices in the urban core begin pricing higher end workers out of executive homes. As a result, this group begins migrating to the new area and developers respond by building upscale homes for them. Ultimately, this group is also willing to work for less to stop commuting. The skill sets and lower costs of this skilled labor force allow the new region to begin competing for professional, corporate headquarters and technology operations. By this time, sub-markets farther out have entered stage #1 of the development cycle.

### 8.4.1 GROWTH STAGES OF PLANNING REGIONS

In San Bernardino County, the Valley, Desert and Mountain planning regions are in various stages of this three-stage growth process. The following describes each planning regions current growth stage.

#### 8.4.1.1 THE VALLEY

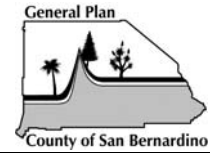
As economic activity began expanding outward from Southern California's heavily developed coastal counties, it settled first in the western part of the Valley Planning Region, in the Stage #1 aggressive home building and population growth period from the late 1970's through the 1980's. The Stage #2 migration of blue collar operations began in the mid-eighties and has accelerated since that time. From 2000-2003, this activity has had to move further east to obtain industrial land for large modern logistics facilities. The condition for the Stage #3 migration of high-end workers and companies is just beginning to show up in the western and, to a lesser extent, in the eastern Valley Planning Region.

#### 8.4.1.2 THE DESERT

The Desert Planning Region is the latest to move into the three-stage economic development process. The region's large amounts of vacant land make it one of the few places in Southern California where tract developers can build affordable housing. This has set off a classic Stage #1

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housing and population boom. Today, a few industrial firms have been attracted to this area's inexpensive land and the fact that its commuters are willing to work for less. This is the first sign that the area has begun to move into Stage #2 of its economic development cycle. At this point, the Desert Planning Region still has far more workers than local jobs. It is likely that the Desert Planning Region will be at a competitive disadvantage for the Stage #3 development of higher end jobs for a considerable length of time.

### 8.4.1.3 THE MOUNTAINS

The Mountain Planning Region has experienced a different growth dynamic than the County's other planning regions due to its geographic location. Although the Mountain Planning Region has a highly skilled labor force, it does not have the necessary location factors needed to draw large numbers of jobs. In part, this is due to its inaccessibility and, in part, it is because of the lack of undeveloped land. The high-end homes in this planning region are thus mostly either inhabited by retired residents, or commuters to other parts of the region.

## 8.4.2 LOCATIONAL CHARACTERISTICS OF THE PLANNING REGIONS

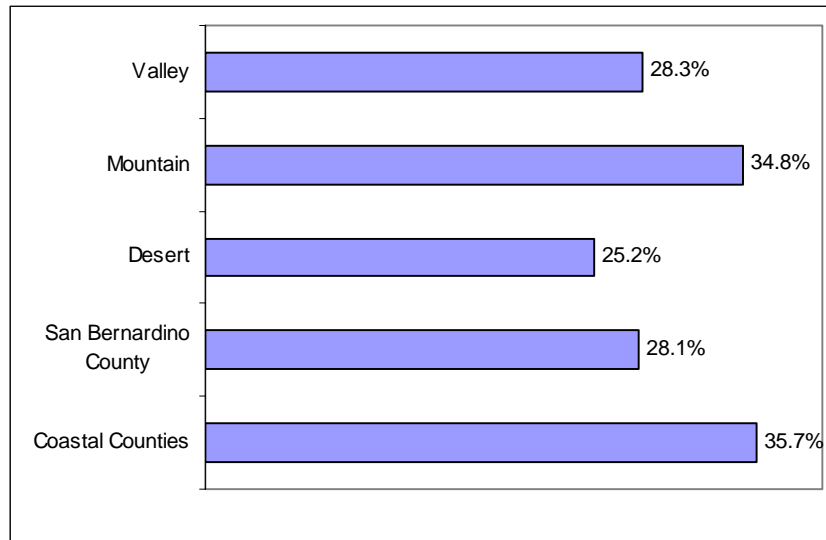
This section describes the key location characteristics of the Planning Regions. These include the capability of the labor force, supply and costs of industrial and office inventory, and other assets such as infrastructure, air quality and water supply.

### 8.4.2.1 LABOR FORCE CHARACTERISTICS

For any region, the cost and capability of the local labor force is likely to be its most important location characteristic. If San Bernardino County is to increase its standard of living, the skill of its labor force must rise. While blue collar and population-serving companies will migrate to the county to take advantage of its available and lower cost space plus its large lower cost labor force, the best paying firms will not come unless they have access to a growing pool of educated workers. That is the essential condition for a sub-market of Southern California's economy to enter Stage #3 of its development cycle.

As shown in Figure 8-13, the Mountain Planning Region had the highest percentage (*34.8 percent*) of the labor force working as managers or professionals in 2000. The Desert Planning Region had the lowest percentage working as managers or professionals (*25.2 percent*). This is an indication that the Desert Planning Region faces a serious workforce education challenge in an era when the education and skill requirements are growing for jobs offering a prospect of increasing incomes. In the total County, about 28.1 percent of the labor force was working as managers or professions, well below the Coastal Counties (*35.7 percent*).

**Figure 8-13. Distribution of Labor Force: Managers and Professionals, 2000**



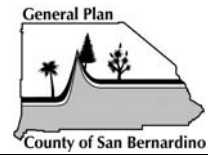
Source: U.S. Census Data, 2000.

## 8.4.2.2 INDUSTRIAL INVENTORY

As shown in Table 8-30, the bulk of San Bernardino County's manufacturing and distribution facilities are located in the Valley Planning Region. In 2002, about 98.0 percent of San Bernardino County's 222.8 million square feet of industrial space was in this sub-market. Of this, 202.8 million square feet was occupied, resulting in a low 7.1 percent vacancy rate. The remaining industrial inventory in the County was located in the Desert Planning Region, and comprised only 2.0 percent of the total industry inventory in 2002.

From 1995-2002, about 96.9 million square feet of industrial space was occupied by firms expanding in or moving to San Bernardino County. Almost 96 percent of this occupied space was located in the Valley Planning Region. Only about 4 percent of this space was located in the Desert Planning Region during this period.

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**Table 8-30. Industrial Inventory**  
**Space Occupied, 2002**

Planning Area	Square Feet	% of Total
Valley	218,227,669	98.0%
Mountain	0	0.0%
Desert <sup>1</sup>	4,534,672	2.0%
<b>Total County</b>	<b>222,762,341</b>	<b>100.0%</b>

**New Space Occupied, 1995 to 2002**

Planning Area	Square Feet	% of Total
Valley	92,643,445	95.6%
Mountain	0	0.0%
Desert <sup>1</sup>	4,228,272	4.4%
<b>Total County</b>	<b>96,871,717</b>	<b>100.0%</b>

1. This includes primarily the Victor Valley-Barstow area.

**Source:** Grubb & Ellis

### 8.4.2.3 INDUSTRIAL LEASE RATES

As shown in Table 8-31, during 2003 leasing industrial space in the Desert Planning Region was the least expensive in San Bernardino County, at \$1.5 million per year for a new medium-sized logistics facility of 400,000 square feet. This is less than in the Valley Planning Region, where the costs ranged from \$1.5 million to \$2.3 million per year. In the southern California coastal markets, older facilities ranged from \$2.1 million to \$3.0 million a year.

On a monthly basis, lease rates range from \$0.32 per square foot to \$0.48 per square foot in the Valley Planning Region. Costs for industrial space in Riverside County are generally higher than in San Bernardino County, at \$0.40 to \$0.47 per square foot per month. However, as shown, some Valley communities are comparable to Riverside County.

### 8.4.2.4 OFFICE INVENTORY

The increase in the 1990's in the number of highly educated workers living in certain areas of San Bernardino County is making it possible for local professional, technology and corporate office operations to stay and expand, and it is encouraging companies to put these types of functions in the lower cost Inland Empire. As shown in Figure 8-14, the total Inland Empire office market was estimated at 16.3 million square feet in 2003. About 61 percent of this inventory (9.9 million square feet) was in San Bernardino County. About 9.5 million square feet of this space was in the Valley



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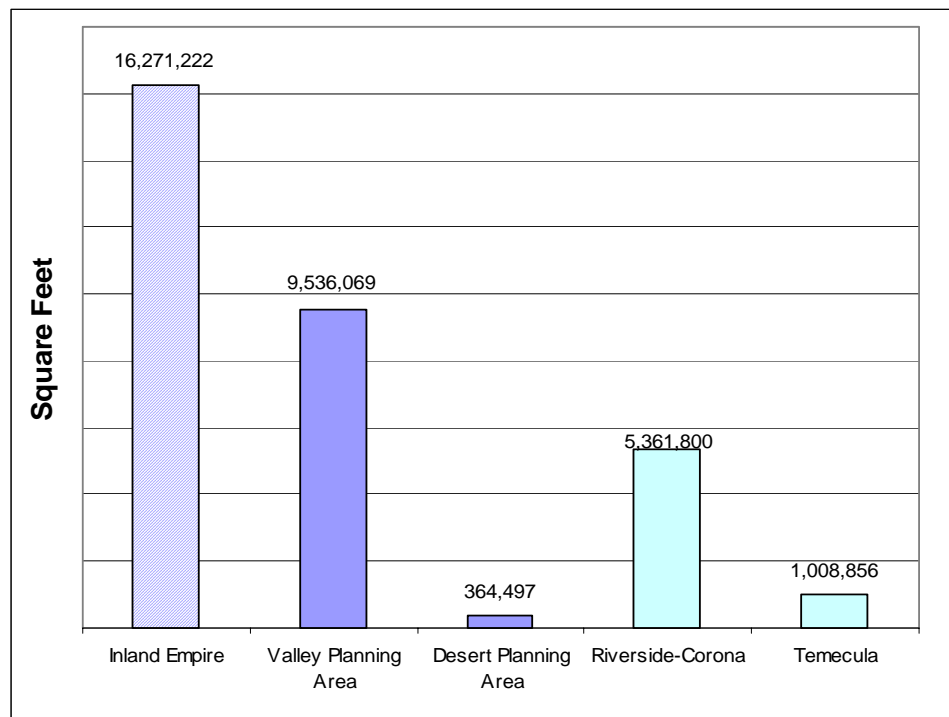
Planning Region. Riverside County markets (Riverside-Corona, Temecula) had about 6.4 square million square feet of space.

**Table 8-31. Industrial Space Leasing Costs, 2003**

Area	Annual Lease	Rate per Sq. Foot per mo.
<b>San Bernardino County</b>		
<u>Valley Planning Area</u>		
Colton-Rialto	\$1,548,000	\$0.32
Redlands- San Bernardino	\$1,576,000	\$0.33
Fontana	\$1,600,000	\$0.33
Ontario	\$1,644,000	\$0.34
Perris- Moreno Valley	\$1,784,000	\$0.37
Rancho Cucamonga	\$1,896,000	\$0.40
Chino	\$1,920,000	\$0.40
Montclair & Upland	\$2,292,000	\$0.48
<u>Desert Planning Area</u>		
Victor Valley	\$1,488,000	\$0.31
<b>Riverside County</b>		
Riverside	\$1,936,000	\$0.40
Corona	\$1,948,000	\$0.41
Temecula	\$2,272,000	\$0.47

**Source:** Grubb & Ellis

Figure 8-14. Office Inventory, Inland Empire, 2003



Source: Grubb & Ellis.

## 8.4.2.5 OFFICE LEASE RATES

As shown in Table 8-32, within the Inland Empire the costs of class “A” office space were lower in San Bernardino County areas than in Riverside County areas during 2003. Within San Bernardino County, class “A” office space was highest in the Valley Planning Region with 10,000 square feet leasing for \$221,200 annually (Ontario). This is less than in the Riverside County areas, where the annual costs range from \$233,600 to \$258,000. The Desert Planning Region is the least expensive in Bernardino County, at \$129,600 per year. This consists of the Victor Valley-Barstow area, which has no class “A” space. However, its class “B” office space is far less expensive than any of San Bernardino County’s class “B” space.

On a monthly basis, lease rates range from \$1.40 per square foot to \$1.84 per square foot in the Valley Planning Region. Costs for office space in Riverside County are generally higher than in San Bernardino County, at \$1.94 to \$2.15 per square foot per month.

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Table 8-32. Office Inventory Annual Lease Rates, 2003

Area	Annual Lease	Rate per Sq. Foot per mo.
<b>San Bernardino County</b>		
<u>Valley Planning Area</u>		
Moreno Valley	\$168,000	\$1.40
East Valley	\$195,900	\$1.63
Rancho Cucamonga	\$196,800	\$1.64
Other W.SB	\$210,000	\$1.75
Ontario	\$221,200	\$1.84
<u>Desert Planning Area</u>		
Victor Valley- Barstow <sup>1</sup>	\$129,600	\$1.08
<b>Riverside County</b>		
Temecula	\$233,000	\$1.94
Riverside	\$240,000	\$2.00
Corona	\$258,000	\$2.15
1. Victor Valley-Barstow space is Class "B"		
<b>Source:</b> Grubb & Ellis		

### 8.4.2.6 ECONOMIC ASSETS

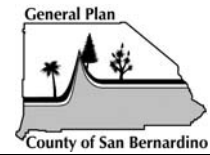
Identification of economic assets within County Planning Regions will be useful in assessing the economic opportunities in each of these Planning Regions and accordingly formulating the goals and policies for these areas to bring about economic development. Following is a list of the economic assets for each of the County Planning Regions:

#### *The Valley Planning Region*

- The Valley Planning Region has mature infrastructure including access to freeways, Ontario International Airport, San Bernardino International Airport (SBD) and rail and trucking infrastructure.
- Southern California's major trucking cross-docks as well as BNSF's intermodal rail yard are located in the Valley Planning Region. The infrastructure to make San Bernardino International Airport (SBD) a viable industrial and air cargo facility is now complete and a strong master developer is in place.
- It was the first region of the County to be impacted by the outward migration of people and industrial companies needing access to available and reasonably priced residential and

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industrial land. Of late, it has been the first county area to see a migration of large numbers of high-end workers seeking “affordable” upscale housing. It will thus be the County area most likely to add Stage #3 high-end firms to its economic base.

- The junction of the I-15 freeway with the I-10 freeway has become the center of the Inland Empire’s transportation system, which has benefited the retail market.
- Industrial competitiveness is also enhanced by the area’s highly developed freeway system. The I-10 is the principal route along which cargo flows between Los Angeles County and the rest of the United States. The I-15 plays a similar role for cargo moving between Orange and San Diego counties and the rest of the country. The new I-210 is enhancing this situation.
- The area has a huge inventory of industrial buildings and a growing inventory of office facilities. Cost advantages have caused industrial developers to dramatically increase the inventory of industrial buildings. The lower cost office space and labor costs of the Inland Empire are causing back office operations of financial operations and call centers to migrate to the region. While the supply of developable industrial land will soon be exhausted in the western part of the Valley, there is considerable land available to the east of the I-15 freeway.
- The Valley Planning Region also has an extraordinary amount of fresh water in the east valley, an unusual asset for the Southland. However, the westend faces difficulties with air quality and water issues, similar to most other Southern California communities.

## *The Desert Planning Region*

- In the outlying Desert area, there are a variety of economic nodes that have been responsible for bringing outside money to the area, which allows secondary tier sectors like retailing, banking, education or local government to develop. The largest three are the U.S. Army’s National Training Center (NTC) at Fort Irwin, IMC Chemical Company’s borate mining activities in Trona and the servicing of tourists and interstate travelers in Needles.
- One of the Desert Planning Region’s primary assets is the strength of the construction, hotel, resort and health sectors of the nearby Coachella Valley. Its growth is causing the Morongo Basin Area to enter the very early stages of becoming the suburban home to commuters working in this new rapidly desert based job center that is just a few miles away.
- The Desert Planning Region has a major economic asset in Joshua Tree National Park. Today, some 1.2 million people visit this facility, with most coming through its northern gateway in Twentynine Palms. Tourist operations associated with people visiting the Joshua Tree National Park have added to the economy as people stay in hotels, buy gasoline and other travelers services in the area.
- A primary location advantage has been the existence of the U.S. Marine Corps (USMC) base in Twentynine Palms. This facility is the largest USMC base in the world and is responsible for almost one half of all of the payroll paid to military and civilian workers in the Morongo Basin.

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- The Desert Planning Region's clean air is a location advantage for both health and aesthetic reasons. The clean air also means that companies do not have to conform to the stringent pollution control rules needed in the Southern California Air Quality Management District. This is a cost advantage for firms locating in the area.
- The area shares Southern California's difficulty in maintaining adequate water supplies for its residential, commercial, industrial and agricultural needs. This will likely be a long-term locational disadvantage.
- The Victor Valley-Barstow area's labor costs are among the lowest in either Southern California or the Inland Empire, given the desire of its work force to avoid length and difficulty commutes.
- With San Bernardino County's westend now running out of industrial land, industrial developers are now being forced to look deeper inland for sites for their large facilities. In the past, the high desert area was thought to be too remote to be competitive for such projects. That is now changing, as the area has large, lower cost industrial sites and a labor force that will work for less to avoid commuting.
- As the high desert areas has thousands of acres of available land, the cost of industrial and office facilities is among the lowest in Southern California. In the near term, office firms will come to the area to the extent they house population serving functions.
- The Victor Valley–Barstow area's freeway system is well developed and offers companies the ability to serve clients located in urban Southern California, Las Vegas, Phoenix and California's northern and central areas without having to transport goods through congested Los Angeles County. However, Cajon Pass is becoming a bottleneck and there is no easy route for moving people and goods east and west across the area.
- The 1993 closure of George AFB badly hurt the Victor Valley–Barstow area's economy. However, today, it means that the area has an asset in Southern California Logistics Airport (SCLA) that will ultimately anchor a very large logistics employment center. The facility's long runways can handle any type of cargo aircraft, and it contains 5,000 acres of industrial land that are at the base of a strategy for transferring container and automotive processing away from the Long Beach and Los Angeles harbors.

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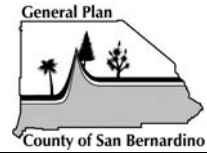
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<http://www.dataquick.com/>

### State of California, Department of Finance

[www.dof.ca.gov](http://www.dof.ca.gov)



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### **Southern California Association of Governments (SCAG)**

<http://www.scag.ca.gov>

### **U.S. Census Bureau**

[www.census.gov](http://www.census.gov)

### **Various city websites for dates of incorporation**

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